

EXTENSION OF REMARKS

HOUSE CONCURRENT RESOLUTION 52 AND TERRORISM AGAINST DIPLOMATS

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FITHIAN. Mr. Speaker, I am inserting today for the benefit of my colleagues an article taken from the Washington Post of February 1, 1981. The article, written by Don Oberdorfer, is a persuasive argument in favor of the establishment of international mechanisms to deal with terrorism against diplomats. Just such a mechanism would be established by House Concurrent Resolution 52, which I recently introduced in the 97th Congress.

The article follows:

WHY THE HOSTAGE CRISIS HELD US ALL HOSTAGE

Despite what Americans believe they know, the seizure and abuse of diplomats as well as private citizens abroad is far from unprecedented; it has been a rather regular occurrence during historical periods of turbulence and revolution. The victims have been American, Russian, British and a variety of other nationalities in a dismayingly long tradition.

Why then did the seizure, confinement and eventual release of 66, later 52, American hostages in Tehran strike this country with thunderclap force, becoming a crisis of an overwhelming and all-absorbing nature? Why did the Carter administration concentrate on this beyond all else in a dangerous world, to the extent of more than 100 meetings of the National Security Council or its crisis coordinating committee within the first six months? And why are Americans likely to remember this travail and release on the scale of great events, such as the beginning or ending of a full-scale war or the death of a president?

Many factors, foreign and domestic, were involved, but two reasons stand out beyond all others:

First, the plight of the hostages in Iran seemed to sum up and symbolize a sense of vulnerability and ineffectiveness in relation to the rest of the world which had been growing in this country since the fall of Saigon in 1975, and was rooted in the more distant past.

The nation which had emerged from World War II far and away the most powerful as well as the most admired was increasingly frustrated and buffeted by outside forces beyond its control. National adjustment to a more modest role is often painful. The taking of a U.S. embassy, a symbolic seat of nationhood, seemed to seize the nation as well as its diplomatic and military personnel by the throat.

Second, and closely related to the first, is a new fact of our age with profound significance: the ability of human beings with the right equipment to bounce sounds and

images off satellites in space and transmit them widely and instantly to millions of others across the globe. In this weird world in which we live, fragments of experience from afar can be hurled into the national consciousness with incredible velocity and impact. The effect is all the greater when the event is not only dramatic and symbolic but also intensely personal, involving the suspended fate of identifiable people.

The world stage was not lit nor the cameras rolling in 1796, when the United States signed an early day "agreement of Algiers" and paid \$992,463.25 for the ransom of the passengers and crew of two American ships which had been seized and held by the dey of Algiers for 11 years. The payment of ransom by nations was commonplace in those days.

Nor was there much commotion beyond a limited circle in 1829 when a mob of several thousand Persians, egged on by mullahs, sacked the Russian legation in Tehran, slaughtered nearly all 38 of Moscow's diplomatic personnel and dragged the body of the Russian envoy through the streets. The Russian offense, in Persian eyes, was to give asylum to two girls and a eunuch from the harem of the shah and his family. There was no retribution.

In China in 1948-49, following the communist victory in the civil war, authorities in Mukden penned up the 10 diplomatic personnel of the U.S. consulate plus their Chinese staff and a hapless German who had stopped by to visit the library. This confinement under rigorous conditions lasted for more than a year, six months of this period without any contact with the outside world. Nobody remembers this now.

Another Chinese episode during the Maoist Cultural Revolution was perhaps the closest contemporary parallel to the recent events in Tehran. In 1967 the British chancery in Peking was sacked and burned by quasi-official Red Guards, several British diplomats were beaten by a mob and subsequently all British diplomats were detained in their compound for four months by government order. At about the same time the Soviet embassy in Peking was repeatedly attacked and harassed, with the Russians counting some 80 government-backed "provocations" within 1967 against their diplomatic mission or personnel, and another 120 "spontaneous outrages."

From 1968 to 1979 the State Department counted 273 terrorist incidents of all sorts against U.S. diplomatic interests overseas. The Rand Corporation's most recent listing of international terrorist acts against all countries since 1968 runs to 1,400 incidents. Nearly 100 diplomats have been assassinated or kidnapped in that period.

A Rand report issued a few days ago said terrorists or other militants have seized embassy facilities of various countries on 43 occasions since 1971, with five of these incidents involving U.S. embassies. "Seizing embassies became a common form of protest and coercion in the 1970s," according to Brian M. Jenkins of Rand.

The takeover of the U.S. embassy in Tehran, in this light, involved the seizure of the largest number of diplomatic personnel, and for the longest time, of any single contemporary incident. These are distinctions

which made it noteworthy, as did the ambiguous quasi-governmental nature of the hostage-keeping, but in themselves they hardly explain why this became the "Iran crisis" which shook the United States and involved most of the world.

In Washington's inner circle as well as on the outside, the events of Nov. 4, 1979, were very personal. The high officials along with the rest of the country saw the television pictures of screaming crowds waving their fists outside the embassy while the blindfolded hostages were paraded inside. "I knew this was going to be overwhelming," said Capt. Gary Sick, the NSC staff aide on Iranian matters. "In the White House situation room within the first 24 hours I made a commitment, almost like taking vows, that until those people were out that would be the total priority in my life. We discussed it at the dinner table, and my family understood. From then on, seven days a week became totally routine and 16-hour days were normal."

When all the elements of the United States government were mobilized, due to the intense personal interest and commitment of President Carter and the topmost layer, Sick was receiving 1,000 pages of cables, memoranda and reports per day across his desk, more than he had time even to skim between White House meetings.

The president himself, as disappointment piled upon disappointment and the Soviet invasion of Afghanistan added to the air of crisis, seemed a changed man to those around him. "This hostage thing is preying on his mind. It's almost like it haunts him," said Robert Strauss, his campaign manager, three months into the long ordeal.

The overwhelming, almost single-minded governmental concentration on the event both arose from and intensified the concentration of the press and public. "The emotion level of the American people, the pain, anger and frustration that they felt and that we felt, was not something the administration had control over," recalled NSC aide Sick. "Anybody who suggested in those early months that this should be played down would have been laughed at. No public figure could stick his nose out of his office without being swamped in the national feeling. The immediacy of it penetrated the consciousness and overwhelmed us."

The question persists: Why was this so? No armies were marching, as they were in Afghanistan. There was a physical threat to several dozen of the 225 million Americans, but no physical threat to the United States. Moreover, it became apparent after a few weeks to nearly everyone, as passion in the United States intersected and interacted with passion in Iran, that a quick resolution was unlikely.

Part of the reason was the raw nerve touched upon by Jeff Gralnick, executive producer of ABC Television's "World News Tonight" program, who hit upon the gripping title of "America Held Hostage" for a series of late night specials on Iran. Many Americans completely identified their country's fate with that of the hostages. For some, the identification was so intense and personal they told members of hostage families, that they were unable to sleep well as

they tossed at night worrying about what would happen next.

It is too simple to single out instant international mass communications via satellite and television, as the only reason for the puzzling disparity between the scale of the event and the scale of its repercussions. Yet this fact, which made the daily drama part of the life of nearly every American from president to private citizen separates the "hostage crisis" in Iran from all that went before. If Vietnam was the nation's first television war, the ordeal of the Tehran embassy was the first televised international crisis.

It has been suggested by many most recently by Ronald Reagan that the United States and Iran actually were embroiled in something akin to war, and that those in the captured embassy could be better considered "prisoners of war" than hostages to militant captors. If so what a strange kind of war, with journalists reporting daily both from the high command at home and from the enemy camp, using transmission facilities furnished and controlled by the other side.

And what of the content of the reports? It would be wrong to say that journalists did the bidding of the militants, except in rare cases. Even that small minority of reports planned by the captors to propagandize Americans backfired, stoking public anger in this country instead of sympathy for the Iranian cause.

The greater problem in the majority of both television and print reporting was lack of context. Lacking prior experience or knowledge of Iran, its access sharply limited or cut off, goaded by competition for the most obvious and dramatic stories, the press tended to focus tightly on the Americans and their immediate plight, without much emphasis on or explanation of the internal Iranian setting which brought about the event and made it so difficult to resolve.

With some notable exceptions, the press was trapped in the technology and, deadline pressures of a story which took on a life of its own. For example, the hostages in the embassy were rarely seen, but the networks trained their cameras day after day on the shouting, fist-shaking mobs on the street just outside. A study by Associate Professor David L. Altheide of Arizona State University reported that the network evening news programs, in 10 sample periods over eight months, beamed Iranian crowds and demonstrations into American homes on 60 occasions, compared to only three interviews with unofficial, non-demonstrating Iranians who might have explained what the crowds were screaming about.

And what for the future? What does the "hostage crisis" and the reaction to it portend?

The greatest underlying question is how a democratic country with worldwide interests and responsibilities can cope with a world of trouble and turbulence in the 1980s. Will the leadership and people of the United States find a way to respond to outrageous actions without becoming, in the common phrase, hostage to events?

President Reagan's pledge of "swift and effective retribution" in case of threats to Americans abroad is clearly meant to provide deterrence against attack as well as reassurance to a deeply troubled people. Yet, given the profusion of incidents throughout the world, there seems little likelihood that Reagan's warning will turn back the tide of disorder.

There is little evidence that the Iranians who seized the embassy and its personnel,

or other terrorists who have dramatized their causes with violent acts, acted on a calculation of personal risk. In fact, the likelihood of direct engagement by the United States could spur some groups to greater risks for greater glory and more radical outcomes.

A prophetic report written for the Air Force in 1977 by Guy J. Pauker, a noted political scientist, projected "a period of increased social instability" in the 1980s, including the possibility of a breakdown of international order he called "a world order crisis." Pauker foresaw difficult decisions for the United States. "In some instances, it may have to give priority to world order considerations, while in other situations it may have to defend narrowly defined national interests," he wrote.

"In deciding to use military force for the protection of limited national interests, a great power which is also a democracy has to be responsive to a wide range of considerations. Should the U.S. government be prepared to project its power into all parts of the world where Americans may wish to travel, trade, study or engage in any other normal and peaceful activity, in order to protect them? If not, where should one draw the line?" Pauker asked.

A journalist who has observed government and public opinion during the Iranian drama emerges with few sure answers for future tests. But I have these suggestions:

First, the government should be prepared to meet the unexpected and intolerable with contingency plans for quick response, political as well as military, as troubles arise. The greatest impact as well as the greatest chance to affect the course of turbulent events is in the early hours of a crisis, when it is also most difficult to plan and see ahead.

Second, the press and the people, as well as those citizens who are also government officials, should keep their cool in the face of provocation. This would provide the maximum flexibility for a national response which will be tailored to the reality rather than the emotional impact of the problem.

Third, everyone should become aware as soon as possible of the context and circumstances of a thunderbolt from abroad, without necessarily accepting the premises of those who have hurled it. Americans must understand as well as feel what is going on.

Finally, and perhaps most immediately important, the government, press and people of the United States have an urgent need to examine and reflect upon the events and impressions of the past 14 months. For all the courage of the hostages and the euphoria and unity of homecoming, this country cannot afford a repetition of what it has just been through. Yet, unless I miss my guess, many dangerous and dramatic trials, some within camera range, are ahead in the troubled decade of the 1980s.●

TAXPAYER FINANCING OF ELECTIONS: A MONSTER

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, the New York Times of January 18 carried an article by Joseph Sullivan, describing the disastrous problems that have resulted from New Jersey's taxpayer

financing of gubernatorial elections. The headline, "Byrne's Brainchild Begins To Look Like a Monster" says it all.

According to the article, two points are clear about the New Jersey program:

First, the program is tremendously expensive. The cost for this election cycle will be 250 percent greater than the original estimates. That should not be surprising because opponents of taxpayer funding of elections, like myself, have been warning about costs for nearly a decade.

Second, the system is politically disruptive. It has literally created, and promoted, candidacies which would never see the light of day if they had to rely on their own attractiveness to the electorate for fundraising.

There will be more and more such articles as the 16 States which use taxpayers' money to pay campaign expenses begin to experience the problems that caused New Jersey's "monster." Predictably, if the programs are fair, available to all comers in both primary and general elections, they are going to be needlessly and unaffordably expensive.

My hope is that the Congress and other States which have not fallen into the "free money" trap, benefit from the New Jersey experience. The peoples' money has no place in the financing of elections.

[From the New York Times, Jan. 18, 1981]

JERSEY'S PUBLIC CAMPAIGN FINANCING BRINGS CANDIDATES OUT OF THE WOODWORK

BYRNE'S BRAINCHILD BEGINS TO LOOK LIKE A MONSTER

(By Joseph F. Sullivan)

TRENTON.—When he was first elected in 1973, Governor Byrne made enactment of a public campaign financing law his top priority. Since then he has watched the law grow to cover the gubernatorial primaries as well as the general election and has seen the field of potential candidates in this year's race swell to 20.

To the Governor, who cannot run for a third term, it is as though a favored child has turned into a monster. It seems like anyone with political ambition is getting ready to make the race and, as a result, the upcoming primary will not only be the most expensive gubernatorial primary ever held in New Jersey, but possibly in the nation. "Maybe I've made the job seem too easy," Mr. Byrne said, "or maybe we've made the primary financing law too broad."

Last week the Governor proposed some changes that would make the law considerably less broad by making it harder for minor candidates to secure state funds. It is doubtful, though, that any changes could be made in time for this year's race.

In order to qualify for public financing in New Jersey's gubernatorial primary, a candidate must first raise \$50,000 on his own. From then on, the candidate is eligible for \$2 in public funds for every \$1 raised privately, as long as the private funds come in contributions no larger than \$800. The ceiling on state contributions is approximately \$600,000, so a candidate needs to raise

\$350,000 privately to attract the maximum amount of state aid. (Since the spending limit is \$1,050,000, candidates can raise another \$100,000 in unmatched funds if they wish.)

The New Jersey Election Law Enforcement Commission originally estimated it would need about \$4 million to provide matching funds for the 1981 primary. But 11 Democrats and nine Republicans have either already declared their candidacies or at least filed with the commission as possible candidates, so the cost to the taxpayers may well exceed \$10 million. Since only a small percentage of New Jersey's 3.5 million voters usually participate in the primaries, some observers have estimated that it will cost the state \$10 for each vote cast.

In addition to the financial problems spawned by the law, there are political problems, too. The larger the field, the more attractive the race becomes to minor candidates, who reason they will need only about 25 percent of the votes cast to have a chance of capturing their party's nomination. For example, Richard B. McGlynn of Millburn, a former judge and ex-member of the State Board of Public Utility Commissioners, has estimated he will need only about 75,000 votes to become the Republican candidate.

Even if the chances of winning the nomination are remote, there is another reason for a minor candidate to hop on the ballot and get state funds: It is a cheap way to build recognition for a future race.

Mr. Byrne was a former prosecutor and a judge who had never run for public office when he became a candidate in 1973. He abhorred the maneuvering for campaign funds and reportedly would leave campaign strategy meetings when the talk turned to money. When he was elected he said he wanted his first campaign for governor to be the last in which special interest groups could attempt to buy influence through large campaign contributions.

He succeeded in getting a general election financing bill through in 1974 and, at the urging of the newly-created Election Commission, agreed to support extending it to the primary, though this provision wasn't adopted until after Mr. Byrne won reelection. Now, however, the proliferation of candidates has so alarmed the Governor that last week he proposed that the \$50,000 "threshold" for each candidate be raised to \$150,000 or \$200,000, and that some sort of runoff be included to ensure that the winner of each party's nomination achieved broad support.

TOO LATE TO CHANGE?

Assemblywoman Barbara W. McConnell, the Flemington Democrat who became the first female candidate for governor last week, said the Legislature had already considered a threshold of \$150,000 during its debate on the law, but decided on the \$50,000 limit so as not to deny any citizen an opportunity to run for governor. And in any event, leaders like David Norcross, the state Republican chairman, who opposed the public financing law, say it is too late to make changes for the June contests.

According to Lewis B. Thurston, the executive director of the Election Commission, three candidates, Mayor Thomas F. X. Smith of Jersey City, Mayor Lawrence F. Kramer of Paterson and Mr. McGlynn, already have submitted financial records indicating they qualify for matching funds under the law as it stands. Commission auditors are expected to rule on the applications

by the end of the month and the first checks could be due by then.

This could create another problem, since the Legislature has yet to appropriate money to cover the checks. Faced with the growing number of candidates, the State Senate last year passed a bill authorizing payment of the matching funds but containing no specific amount. The Assembly wants to include an amount, but can't agree on how much.

Whatever happens, most observers agree that New Jersey is not finished with its pioneering experiment. Indeed, the state's experience with public funding during this year's gubernatorial campaign may very well shape new approaches for the next one, four years hence.

WHERE NEW JERSEY LEADS, 16 STATES FOLLOW

Since 1974, when New Jersey became the first, 16 other states have adopted some form of public campaign financing.

They are Hawaii, Idaho, Iowa, Kentucky, Maryland, Maine, Massachusetts, Michigan, Minnesota, Montana, North Carolina, Oklahoma, Oregon, Rhode Island, Utah and Wisconsin.

While most of these states limit public financing to the general gubernatorial election, Massachusetts and now New Jersey have followed Michigan's lead and extended it to primaries for that office as well.

Some states also provide limited financing for other races. In Wisconsin and Minnesota, candidates for statewide office and the state legislature are eligible to receive public funds; in Maryland and Hawaii, the coverage even extends to some local offices.

The states also have different ways of collecting and allocating the money used to underwrite campaigns.

Some ask taxpayers to add a contribution to their state income tax payment, while others use a checkoff system like the Federal one that lets the taxpayer choose whether to commit a specified amount of his tax payment—usually \$1—to a public campaign fund. Since this does not increase the taxpayers' liability, it is the most popular.

Eight states, including New Jersey, give the money, usually on a matching basis, to the candidates, while eight others give it to the political parties.

Oklahoma does both, providing a modest amount for the parties while giving most directly to the candidates.

Other states are known to be considering establishing their own public campaign financing programs. Among those that have asked New Jersey officials for advice are California, Florida, Louisiana, and New York. ●

RUDY ROPER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, an era is coming to an end in my district. Since I was first sworn in as a Member of the House of Representatives in 1977, it has been my pleasure to represent the dean of Missouri's mayors. Rudy Roper, mayor of Sugar Creek, Mo., will finish a 40-year term of office in April of this year.

It is a high tribute to Mayor Roper that his community elected him to

twenty 2-year terms as mayor. During that era he presided over many community improvements and helped guide the community through some difficult times.

There is a statement that "the best politics is doing a good job." Mayor Roper obviously has done a good job. The community has recognized his efforts and rewarded him with votes of confidence for a period far exceeding those received by his early contemporaries.

It is a pleasure for me to have Mayor Roper as a constituent. I congratulate him on his years of service and his return to the highest office an American can hold—that of citizen. ●

HUMAN RIGHTS AND FOREIGN POLICY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. EDWARDS of California. Mr. Speaker, by way of promoting debate on the subject of human rights and our foreign policy, I recommend a thoughtful essay on the subject by our colleague, the gentleman from Washington, Mr. BONKER, which appeared in the New York Times on December 22 of last year. The article follows:

SERVING HUMAN RIGHTS

WASHINGTON.—I hope that President-elect Ronald Reagan's statement that "all of us in this country are dedicated to the belief in human rights" and his warning to South Korea not to execute Kim Dae Jung, the opposition political leader, will signal authoritarian regimes everywhere that he will not tolerate their odious policies.

Yet speculation grows daily about the fate of human rights in the incoming Reagan administration. Many are counseling him publicly to undo the human-rights policy that was born of Congressional initiatives and that has been an integral part of foreign policy.

The peril of such advice is the possibility that it will be misinterpreted around the globe. Repressive regimes already are boasting that they will no longer be judged by the United States' standard of democracy and human decency. To abandon our human-rights policy would be a terrible blow to freedom everywhere. In a turbulent world, the forces of liberty are desperately struggling for survival. Dictatorial regimes, whether friend or foe, reject the concept of a free and open society. They uphold values that are inimical to our country's long-term national interests as those of our avowed enemies.

Human-rights violators do not make reliable allies, as is evidenced by the Soviet Union's close relations with Argentina and Bolivia, both with hardline right-wing regimes. The era of simpler times, when brutal dictatorships were tolerated as long as they professed anti-Communism, has passed.

Our history has shown that we stand for more than expediency and strategic interests in pursuing our global objectives. By

maintaining a strong human-rights policy, as President Carter has, we show ourselves responsive to the yearnings of human beings for dignity and freedom. Countries should be put on notice that if they expect our aid, they cannot engage in political executions, torture, and other monstrous practices.

It is in our self-interest to work for long-term stability in the third world if we are to achieve our political and economic goals. The alternative is to find ourselves at the mercy of dictators. Our recent experiences have demonstrated that we gain only the enmity of the people who are the victims of repression.

It has never been lack of weapons, but rather internal discord and disregard of basic rights that threaten repressive governments, and often our security interests. It was not our human-rights policy that brought about the downfall of Shah Mohammed Riza Pahlavi in Iran; nor did it precipitate the exit of Anastasio Somoza Debayle of Nicaragua and Emperor Haile Selassie of Ethiopia. Rather, it was the lack of even a minimal level of decency and justice in those nations and our uncritical support of such governments that has estranged us from successor regimes.

The advocacy of human rights is the moral imperative in our foreign policy that sets us apart from the Soviet Union. As the beacon of liberty around the world, our nation must pursue policies that help to shape a more decent world. Dare we do less?

Despite its shortcomings, supporters and critics agree that our human-rights policy has saved lives, brought about the release of political prisoners, reduced torture, and given hope to those who remain oppressed.

Still, much needs to be done. Summary executions continue. The number of disappeared and missing persons is close to 30,000 worldwide, and brutality in many countries is the norm rather than the exception.

We in the 96th Congress held numerous hearings on human-rights violations covering both Communist and non-Communist nations. Witness after witness testified that whenever the United States supported improvements in human rights, the situation changed for the better. With these hearings we promoted a human-rights policy that has integrity and that can be applied fairly.

Furthermore, the Congress stands especially proud of its human-rights efforts. Virtually all of the human-rights initiatives have come from the Congress, with broad bipartisan support—for example, by law we have established the human-rights bureau in the State Department, the annual State Department report on human-rights conditions in every country, and the cutoff of economic and military aid to repressive regimes.

As long as there is hunger, unemployment, disease, repression, and the absence of peaceful change, our ultimate goal of a true peace cannot be achieved. As the next President, Mr. Reagan is among the few in history privileged to promote justice through human rights, a goal that is strikingly reminiscent of what the Prophet Isaiah admonished us to do 3,000 years ago: "Stop all wrongdoing. Remove all evil. Learn to do good, search for justice, help the oppressed."●

WHAT TO DO ABOUT EL SALVADOR

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, the political and civil unrest in El Salvador presents a grave challenge to the Reagan administration as it takes office and attempts to deal with a potentially explosive issue in this hemisphere.

A recent commentary by Ernesto Betancourt in the Washington Post, January 27, examines the elements of a sober, yet realistic approach to American policy toward El Salvador.

The recommendations made by Mr. Betancourt, I believe, are worth serious consideration and should be examined further by those of us in Congress and by the Reagan administration.

I hope my colleagues will give careful consideration to this approach.

[From the Washington Post, Jan. 27, 1981]

WHAT TO DO ABOUT EL SALVADOR

(By Ernesto F. Betancourt)

The crisis in tiny El Salvador could shape President Reagan's policy toward Latin America and the Caribbean before Secretary of State Haig has time to formulate it. It is increasingly clear that the Soviets, through their proxy Castro, are supporting an early challenge to test the will and skill of the new administration as well as the new mood of U.S. public opinion implicit in the November election results.

If the response is dominated by narrow views, we may well be on the way to a security setback. Reagan will be saddled with a Bay of Pigs or a mini-Vietnam. Such an entrance will bring glee to Castro and his Soviet mentors. On the other hand, if we draw on the lessons of the past and the realities of the present, this could be the turning point in the struggle for an area that is basic to our national security.

Our present predicament in El Salvador and the region in general is the result of several factors. One is underestimation of the strategic importance of the Caribbean and Central America because of the small size of the countries involved. Another is the naive policy of the Carter administration. Self-righteous moralism is not a substitute for security as a basis for development. The result has been a power vacuum—eagerly filled by an expansionist Soviet-dominated satellite. Instead of development, we caused a capital outflow that has fueled the Miami real estate boom.

The setting for this struggle is societies, like El Salvador, in which expanded education, communications and transportation have created increased expectations among a growing population. At the same time, a total absence of energy resources has made both Central America and the Caribbean islands, except Trinidad, extremely vulnerable to oil price increases. Under such circumstances, the masses are easy prey to radical propaganda. The frightened members of the establishment, oligarchy—or whatever one's ideological bent finds a satisfying label—tend to resort increasingly to repression. They want to prevent what they

logically perceive as a mortal threat to their interests. Castro and the Soviet Union prey like vultures in such an environment. However, in formulating a response, it is important to keep in mind that, with or without the Castro-Soviet subversion, the structural stress in these societies will persist.

A realistic policy to protect our national interest in the region, therefore, should provide security, based on an approach that includes offensive and defensive components, and development that includes both growth and reform components. Such was the essence of our two previous successful efforts to contain Soviet overt or covert expansion: the Marshall Plan and the Alliance for Progress. Naturally, as in those two efforts, it will also require an equal commitment of national leaderships in the region.

In this last respect, there is a ray of hope for the Reagan administration. For throughout the Caribbean and Latin America there is a growing consensus that such an effort is needed to stem this new threat. Granted, there are those who would like us to pick up the tab, in lives and money, to preserve their privileges. Others want us to subsidize the extermination of pro-U.S. authoritarians to be replaced by pro-Soviet totalitarianism.

So far, Venezuela and Mexico, as well as Costa Rica, Barbados, the Dominican Republic and Jamaica, give indications of increasing awareness of the problem faced by the region. In El Salvador, the present leadership reflects this middle-of-the-road approach.

The implementation of such a comprehensive policy embracing both security and development elements has been articulated very clearly by Jamaica's Prime Minister Edward Seaga. After leading his people to a dramatic victory of democracy over Castro-Soviet subversion—which has not been sufficiently appreciated in the United States—he has proposed a Marshall Plan for the Caribbean and Central America. So far, his proposal has not met with any response from the United States.

Such a broad strategy would provide the framework for the Reagan administration response in El Salvador. Regardless of the short-comings of the land reform effort there and the violations of human rights that unquestionably are taking place, the Duarte government embodies the security and development elements of the required response. To deny military aid to El Salvador because of human rights violations, ignoring that they are being carried out by both the left and the right, will be utmost folly. On the other hand, to encourage the notion that aid will be made available so the landowners can roll back the land reform and push hundreds of thousands of peasants to side with the left will be equal folly.

While the emergency in El Salvador is dealt with, the broader response to the idea advanced by Seaga should be formulated.

The offense component of the security aspect of the policy should aim at making Castro's subversive efforts very costly to him. No military action against Cuba is needed. However, those fighting Cuban mercenary forces in Africa should be encouraged and assisted when consistent with other national security interests. The failure of Cuba's economy under Castro should be divulged by all available media. Economic concessions granted by the Carter administration should be reviewed and canceled when appropriate.

Military assistance in hardware and training should be made available to national de-

fense forces to boost their ability to resist subversive and terrorist efforts. This in itself will reduce the size of the forces willing to resort to violence as a means of social change.

The Organization of American States machinery for regional security and non-intervention should be used to provide diplomatic and legal underpinnings for such collective effort. It is important to avoid an effort that may be perceived as being U.S.-dominated. This may be helped substantially if a country like Canada, with a heavy interest in the English-speaking Caribbean, can be persuaded to join the Inter-American System as a full-fledged member. Brazil could also play a role since, as a donor, it shared with Mexico and Venezuela the concern for the security threat to the region. Nicaragua and Grenada should be given a choice, but it should be clear that we will not help those who support threats to our security.

Parallel to the security umbrella provided by such an effort, the present Consortium for Caribbean Development, under World Bank aegis, could be expanded to include Central America. Furthermore, the consortium could serve to avoid adding a duplicate bureaucratic machinery and to accelerate implementation. An expanded program of bilateral U.S. aid could be added to reinforce our commitment. This, in turn, could also serve to ensure that our national security interests are given due weight when it is not possible to do so through multilateral mechanisms.●

ANTHONY "PAT" PATRICCO, HUMANITARIAN AWARD WINNER

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. RINALDO. Mr. Speaker, the contributions of our private citizens to the common good of America take many forms and happen every day in countless communities across this land. Men and women, young and old, of all faiths are contributing to the well-being of their communities in many ways—raising funds for charities, aiding the handicapped, teaching the blind and deaf, working with youth, and caring for the needs of the poor and the aged in our society.

It is one of the great assets of the United States that we have volunteer organizations that reach out to our people in many generous ways with compassion, enthusiasm, and kindness. Organizations like the Phil Portnoy Association in Union, N.J., have encouraged citizen participation by aiding people who experience misfortune in their lives and by annually selecting someone in the community for its Humanitarian Award.

This year's recipient is Anthony "Pat" Patricco of Union, N.J. For nearly a quarter century, "Pat" Patricco has been a good friend to the families and youth of Union. He has served as president of the Little League and as a coach during that period, developing the talents and

spirit of thousands of youngsters who have played in the Union Little League. For some of the more talented ones, it has meant the start of careers in baseball and scholarships to college. In every case, youngsters have benefited from the competition and the opportunity for enjoyable recreation.

"Pat" Patricco has passed the torch to the next generation. In fact, his son, Steve Patricco, is now a coach in the Union Little League.

Through service with the Union Township Board of Education, where he served as a vice president, the Exchange Club, and Union Council 4505, Knights of Columbus, "Pat" Patricco has given extraordinary service to the community, and is deserving of the honor of being named "Humanitarian" by the Phil Portnoy Association.●

A NEW MCCARTHYISM?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. BINGHAM. Mr. Speaker, in the New Republic of January 31, Morton Kondracke warns that there is a whiff of McCarthyism in the air and the smell is getting stronger every day. In Kondracke's words:

Elements of the political right—and not just the kooks either—are seemingly not content to have thrashed liberals at the polls or to have trounced the left—temporarily, at least—in the marketplace of ideas. They are returning to the dismal old practice of alleging that the opposition acts not out of honest error, but out of disloyalty to this country.

This is a very dangerous trend and one that must and will be resisted. Those of us who recall the old McCarthyism are not going to sit back and allow the country to go down that road once again. I commend Mr. Kondracke's piece to my colleagues and to other readers of the CONGRESSIONAL RECORD:

HERE WE GO AGAIN—SEARCH FOR SUBVERSION
(By Morton Kondracke)

There is a whiff of McCarthyism in the air, and the smell is getting stronger by the day. Elements of the political right—and not just the kooks, either—are seemingly not content to have thrashed liberals at the polls or to have trounced the left (temporarily, at least) in the marketplace of ideas. They are returning to the dismal old practice of alleging that the opposition acts not out of honest error, but out of disloyalty to the country. Has American influence in the world declined in recent years? Has the Soviet Union built up its military power to equal and sometimes surpass that of the United States? Is revolution spreading in Latin America? According to some on the right, all this has not happened by accident, by the play of historical forces, or even because of post-Vietnam exhaustion and a failure of American will. No, it's because the American press is infiltrated by Russian agents who "disinform" the public, spread

communist propaganda, and "spike" (that is, kill) stories warning of the Soviet threat.

US failure to match the Soviet build-up, according to the right, stems partly from consistent underestimation of Soviet activity by the CIA. And that, in turn, is not just the result of bad analysis, but because the agency is infested (possibly at the highest level) by Soviet spies, or "moles," in the currently popular slang. In fact, not only is the CIA infested, but also the highest levels of the US government. According to rightist diatribes, Soviet "agents of influence" may include Henry Kissinger and the number-two man on Jimmy Carter's national security council staff.

And, in the best-developed conspiracy theory of all, President Carter's Latin American policy was not the result of naïveté or excessive devotion to human rights considerations. Rather, according to some on the right, Somoza fell to the Sandinistas and Castroism is running free in Central America because US policy was concocted at the Institute for Policy Studies, which is not only a left-wing think tank, but a communist front.

What should America do? According to the right-wing Heritage Foundation and some hard-line Republican senators, U.S. counterintelligence ability needs to be vastly upgraded. The FBI needs to be free to tap, follow, and burgle whomever it wants, not burdened by any rule that it must show grounds to suspect criminality. There needs to be a centralized federal subversive file. And Congress needs to reestablish its old internal security committees, even though it now has standing intelligence committees that it never had in the old days. In fact, no sooner had Strom Thurmond become chairman of the Senate Judiciary Committee than he created a subcommittee on security and terrorism. The chairman of that panel, Senator Jeremiah Denton of Alabama, promises that it won't indulge in "witch-hunts," but that's a term in need of definition. I'd guess that Denton will be under immediate pressure to start probing the Institute for Policy Studies, rather than the Ku Klux Klan.

Where does President Reagan stand on all this? He certainly seems a moderate enough fellow, and he has not surrounded himself with incendiary conservatives. But a Scripps-Howard reporter, Dale McFeatters, has dug up this 1977 Reagan quotation, which is not reassuring: "We need a public demand for the reinstatement of a committee such as the onetime House committee to investigate un-American activities. A domestic assault on communism today would be premature. We need the factual evidence a congressional investigation would provide."

The raw meat for congressional "investigation" is available in a large and expanding body of literature on the right, some of it appearing lately in respectable journals. But the most drawn-out version, appropriately, is in a piece of trashy fiction called *The Spike*, written by Arnaud de Borchgrave, formerly of Newsweek, and Robert Moss, a columnist for the London Daily Telegraph. The book's jacket terms it "a work of fiction that exposes what may be going on behind closed doors in the White House, Western newsrooms and at 2 Dzerzhinsky Square, the headquarters of the KGB." What the authors hint is going on is almost everything right-wing mole maniacs have been alleging: the New York Times, the Washington Post, and other major organs of the American press are crawling with Soviet "agents of influence"—witting and unwitting.

ting—who distort the news to indict U.S. intelligence and the Pentagon and underplay the Soviet threat. The director of Central Intelligence is a Soviet spy who is dogged and eventually undone by the agency's counterintelligence chief. This part is a fictional rerun of the wars between William Colby, former CIA director, and his arch-enemy, James Angleton. Other conscious Soviet agents in the book include the deputy director of the National Security Council staff, which parallels rightist accusations against Carter's man, David Aaron, once a Senate aide of Walter Mondale. In *The Spike*, the American vice president is a dupe. In real life, no one has produced the slightest shred of evidence that David Aaron is anything but a liberal—and one who, in fact, moved rightward during his White House exposure to world realities.

Another set of serious allegations are non-fictional assertions of Soviet penetration of the CIA. In his book, *Legend*, for example, Edward J. Epstein argues that Lee Harvey Oswald was a Soviet agent, but that proof was covered up because of clever Soviet planting of "disinformation" supplied by phony defectors and because of the presence, high in the CIA, of a Soviet "mole." No one is named, but James Angleton's charges against Colby—all unproved—have been so widely repeated that Colby has been led to deny them publicly. In the dizzy world of former spies and counter-spies, each man has defenders who cite evidence supposedly supplied by KGB defectors. One former CIA man suggested to me in an interview last week that one such defector had even fingered Kissinger as having been an agent ever since his days as an Army sergeant after World War II.

Kissinger long has been a favorite target of the Reagan right, having been author of the detente policy with the Soviet Union and the lead negotiator of SALT treaties. The right also has long accused Kissinger of concealing data showing that the Soviets cheated on SALT. But some right-wingers have gone beyond claiming Kissinger did this to protect detente. "I can easily believe that Kissinger is a Soviet agent-of-influence," one former Republican Senate aide said last week.

In an article written last year by right-wing New Hampshire Republican senator Gordon Humphrey, it is noted that in 1975 the Soviet Union asserted that some of its concealment practices would not interfere with US ability to monitor SALT by satellite. "How they could have known or argued such a position remains an unexplained mystery," Humphrey wrote. "Could they have penetrated US intelligence with 'moles'?"

Obviously the Soviet Union would plant moles if it could. It has done so at high levels in other countries, and lately it has done so at low levels in this country, as recent espionage trials attest. A good case can be made that CIA security procedures are lax and that its intelligence-estimating ability is weak. But all that argues for strengthening the agency internally and for more effective oversight by the Senate and House intelligence committees. No one has produced anything but unsupported allegations that high-ranking officials are secret Soviet "moles." In the absence of any proof, right-wing finger-pointing at officials whose policies they dislike is likely to undermine public confidence in political leaders, which doesn't do a thing for national strength and unity. If I were the head of the KGB, in fact, I'd be inclined to plant a mole squarely

in a right-wing senator's office, just to sow discord among the American people.

It's doubtful that the right will ever go witchhunting after Henry Kissinger in any serious way. If neo-McCarthyism goes that far, nobody will be safe from the loyalty police. But a more vulnerable target is the Institute for Policy Studies in Washington, a center for "alternative," "progressive," and new left ideas and organizing for the past 17 years. IPS has been a target of the radical right from the beginning—chiefly of Representative Larry McDonald of Georgia, a board member of the John Birch Society. Lately, attacks on IPS have come from more respectable sources, including *National Review*, *Midstream*, and *Washington Quarterly*.

In *The Spike*, IPS is in this disguise as the "Institute for Progressive Reform," which the book describes as "the controlling center for a network of Soviet agents of influence who fanned out into Congress, the media, the academic world and even the White House." In *Midstream*, published by the Theodor Herzl Foundation, Rael Jean Isaac claims IPS "can fairly be described as an enormous intelligence operation practicing both covert action and subversion." Isaac proves nothing of the kind and certainly doesn't try to in any way that can be called fair. Her research seems to have come mainly from a publication called *Information Digest*, published by John Rees, an associate of Congressman McDonald. Nevertheless, the article has been reprinted widely, even by establishment publications such as *Barron's* and groups such as the National Committee on American Foreign Policy, which listed Hans Morgenthau as its chairman. Shortly before his death, Morgenthau quit the committee briefly in protest, charging it had participated in "a slanderous attempt to smear a perfectly respectable, however minority, point of view." Meanwhile, an article in *National Review* characterized IPS as "the perfect intellectual front for Soviet activities which would be resisted if they were to originate openly from the KGB." The Heritage Foundation lists IPS, along with "anti-defense and anti-nuclear lobbies," as organizations in need of investigation by a revived internal security apparatus.

There is much about IPS's world view and the activities and sympathies of some of its associates that is foolish, erroneous, even contemptible. A major source of its funds, for example, is the Samuel Rubin foundation, whose president, Peter Weiss, is married to Cora Weiss (Samuel Rubin's daughter), who ran a group deeply sympathetic to North Vietnam's cause in the Indochina war. One of IPS's founders, Marcus Raskin served on the board of Counterspy, a publication whose purpose was to name CIA agents and undermine the agency's effectiveness. When Britain expelled the world's foremost agent-namer, Philip Agee, the IPS's Transnational Institute in Amsterdam gave him a haven for a month. I would have let him catch pneumonia in the street.

IPS scholars, while a disparate and independent lot, tend to have sympathy for third world "liberation" movements. Some have warm attitudes about Castro's Cuba, the Sandinistas in Nicaragua, and the Palestine Liberation Organization. The IPS consensus is strongly against US military intervention abroad, against right-wing dictators (though not left-wing ones), and against large corporations, especially multinationals. It tends to take the revisionist line about the origins of the cold war and the

nuclear arms race, blaming the US as much as the Soviet Union.

In other words, IPS is a left-wing organization, which is what it claims to be. But that does not make it a KGB front. And, with an annual budget of just one million dollars (versus five million of the Heritage Foundation and \$10 million for the American Enterprise Institute), IPS scarcely constitutes a threat to national security. During the Nixon years, in fact, the FBI and CIA launched major investigations of IPS, looking for evidence of connections to the Weather Underground and North Vietnam. In a lawsuit, the FBI admitted it had found no evidence of criminal activity and was ordered to seal IPS's file.

To the extent that it makes contact with third world revolutionaries and makes their ideas available to the US press, the government, and the public, IPS actually ought to be considered a valued national resource. The nation suffered in the 1940s and 1950s when the right wing silenced Asia experts who urged accommodation with the Chinese Communists. Had these experts been listened to instead of pilloried, the US might have avoided the Vietnam War (which we entered out of fear of Chinese expansionism) and might have hastened the Sino-Soviet split.

Another right-wing propaganda effort under way these days is intended to discredit advocates of a noninterventionist US policy in Latin America. According to Lyndon LaRouche's US Labor party, various right-wing columnists, and the national commander of the American Legion, Jimmy Carter's policies on Latin America—his attempted rapprochement with Cuba, the Panama Canal treaties, human rights campaigns against Argentina and Bolivia, and withdrawal of support from Somoza—were written at the Institute for Policy Studies. And IPS, of course, was fronting for Havana and Moscow.

This campaign has been abetted even by the prestigious Center for Strategic and International Studies of Georgetown University. The Autumn 1980 issue of the Center's publication, *Washington Quarterly*, contains a lead article called "Castro's Specter," alleging that "Jimmy Carter's foreign policy in Central America and the Caribbean had been put together over a period of time by individuals who have rejected traditional foreign policy concepts and formulated a foreign policy that has provided leftist-oriented movements, homegrown and Cuban supported, with opportunities for advancement unprecedented since World War II."

The article, by Roger Fontaine, Cleto DiGiovanni Jr., and Alexander Kruger, alleges that Carter policy was heavily influenced by IPS, which in turn was influenced by Orlando Letelier, a Chilean Socialist, ambassador, and minister under President Salvador Allende. Letelier was imprisoned by the Chilean junta that overthrew Allende. After his release, he worked at IPS until he was assassinated by Chilean agents on a Washington street in September 1976. And Letelier, the article suggests (as do most right-wing attacks on IPS), was a paid agent of Cuban intelligence.

The evidence for this is the contents of Letelier's briefcase at the time of his death—especially a letter from Havana written by Beatriz Allende, daughter of Salvador and wife of a Cuban diplomat (or intelligence official), advising Letelier he would receive \$1,000 per month from the Chilean Socialist party, of which Beatriz Allende

was treasurer. The Washington Quarterly article says,

"Letelier may have been involved with pro-Communist, anti-Chilean government propagandizing and lobbying in the United States and abroad while associated with the IPS solely on behalf of Allende exile groups in Cuba and elsewhere. There is no available proof that [Letelier] was under the direction of the Cuban government and its intelligence service or that he was directly receiving funds from them. However, it is simply not in the nature of the Cuban intelligence service to overlook the types of opportunities presented to it by Letelier, particularly in view of his contacts in Washington. He would have been a useful 'agent of influence.'"

The article said:

"There is also no proof or even indication that the IPS... was aware of Letelier's Cuban contacts. There are indications, however, that at least some of the working group members, like Letelier, were strongly and actively committed to advancing leftist causes."

And also:

"However noble or naive these [IPS] policy recommendations were, it would be difficult to argue that the Soviets and Cubans would not find some of them parallel to their own interests. Although the latter may well choose to let events take their own course, in the case of IPS's Latin American policy recommendations there are suggestions that the Soviets and the Cubans have had the opportunity to exert influence."

It's impossible to prove that Letelier was not a Cuban agent, but the US attorney who investigated his assassination said in court that the FBI had found no evidence that he was. IPS officials claim that after Allende's overthrow, extensive fundraising was carried out for the Chilean Socialist party in Western Europe and funneled back to Beatriz Allende in Havana. So the money Letelier got need not have been Cuban. In any event, \$12,000 per year does not buy a lot of subversion. There is no evidence that IPS officials were aware of Allende's Cuban connections, but they all were aware of his socialist and anti-junta activities, which he undertook openly. According to IPS officials, though, Letelier had little or nothing to do with IPS's report on Latin America. According to former administration officials, the IPS study had little influence on Carter's Latin policy, even though some of the ideas were similar and even though some Carter officials attended IPS discussion group meetings.

The last thing the United States needs is a new round of McCarthyism. It does need a stronger defense, better intelligence gathering, and even safeguards against Soviet espionage. The conservatives have won the argument on those points, and thanks to them for it. But a free society stays free by having debate continue, and there are many points still unresolved. We cannot have a free debate if the right wing tries to discredit its opposition with charges of disloyalty, as is now happening again.●

EXTENSIONS OF REMARKS

INDIVIDUAL HOUSING ACCOUNT ACT OF 1981

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, today I am introducing two bills which address two acute needs within the housing industry, as well as those of potential homebuyers and renters.

The Individual Housing Account Act 1981, which I am reintroducing with Congressman SWIFT, addresses the need for a savings plan that allows potential homeowners to save toward the purchase of a home without incurring the tax penalties that currently reduce the effectiveness and viability of passbook savings plans.

Our bill enables those interested in purchasing a home to establish an individual housing account, set up specifically for the purpose of encouraging savings toward homeownership. An individual—or couple—could contribute up to \$4,000 annually for a maximum of 10 years—maximum total savings would be \$20,000—which would be tax-deductible on an annual basis, and the interest on which would be tax free. Money contributed to the account could be used only toward the purchase of a home, and would automatically become taxable income if used for another purpose.

It is my hope that the use of individual housing accounts will not only make homeownership more than just a dream for thousands of young people interested in purchasing their first home, but that it will also have the effect of reversing the present trend of an outflow of savings from our financial institutions. The country is short of housing and short of savings. IHA's are calculated to relieve both shortages.

The second bill I am introducing today, the Residential Rental Housing Tax Incentive Act of 1981, addresses the very real need for private sector participation in the rental housing market.

The extreme shortage of available, affordable rental housing has emerged as one of the most severe aspects of the current housing crisis, as the following data indicates:

The national vacancy rate is down to 5 percent, the lowest figure in the 24 years that such data has been collected;

An estimated 60 percent of the little new rental housing that was constructed in 1980 was subsidized or insured by the Federal Government; and

Mortgage and home purchase prices for single family homes remain at historical highs, increasing the pressure for alternative housing.

Despite the statistics that point to heavy demand for rental housing, pri-

vate development has virtually ground to a halt. The reason is fairly simple: the increasing costs of financing, building material, labor and land, together with lagging rents and rising costs, have made multifamily housing a poor investment.

My bill is designed to restore the financial viability of private residential rental housing development through a number of tax incentives which encourage both new construction and the rehabilitation of existing housing. Specifically, they include:

A 10-year straight-line depreciation schedule for new construction of residential rental housing, and a 20-year straight-line schedule for existing units;

A repeal of the tax-code provision that mandates construction period interest and taxes be amortized over 10 years, as it applies to residential rental housing; and

A broadening of the tax provision that currently allows a rapid amortization of rehabilitation expenses for low-income rental housing, and an increase in allowable expenditures under this provision to reflect current costs involved with rehabilitation.

I encourage the support of my colleagues for both of these much-needed pieces of legislation, and welcome your cosponsorship.●

U.S.S. "GEORGE PHILIP"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, one of the Navy's newest surface warfare ships, the guided missile frigate U.S.S. *George Philip* (FFG-12), will arrive at Port Hueneme, Calif., Friday, February 6. The ship will be open to the public.

George Philip's visit will be held in conjunction with its ship qualification trials on the Pacific missile range off Point Magu. Naval Ship Weapon Systems Engineering Station is providing support during the 2-week trials which started February 1.

Cmdr. James L. Turnbull, commanding officer of *George Philip*, grew up in Ventura County where he attended elementary and secondary schools and was graduated from Nordhoff Union High School in 1957. He is the son of Mr. and Mrs. Archie Turnbull of Ojai, and is married to the former Linda Lee Dobbs of Ventura.

On behalf of the Members of the House and my constituents in Ojai and Ventura County, I welcome Commander Turnbull and his men to our area and wish them the best of luck in their mission.●

ONE DAY IN IRAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, recently, seventh grade students from the Sedalia Middle School in Sedalia, Mo., were asked by their teacher, Mrs. Margie Davis, to express their reactions to the release of the American hostages. The students came up with illustrations, poems, and letters. I was very impressed with the letters and poems that were sent to me by the students, but in particular, I wish to share this poem, written by Michelle Cooper, with my colleagues.

ONE DAY IN IRAN

Working as usual one day in Iran,
 Militants of that country took a stand.
 Americans in prison was the cry of the land.
 Iran lifted praises for Khomeini, a mad,
 mad man.

As time passed we all grew weary.
 For the fate of their freedom look dreary.
 Our peaceful talks had not prevailed.
 Even our rescue attempt had failed.
 Four hundred forty-four days of the past,
 America's fifty-two are free at last.
 January 20th will mark that glorious day,
 Our prayers were answered what else can I
 say.●

THE SOCIAL SECURITY REFINANCING AMENDMENTS OF 1981

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SEIBERLING. Mr. Speaker, one of the most important problems facing the 97th Congress is the financial condition of social security. The old age and survivors insurance trust fund, battered by inflation, which boosts outlays, and unemployment, which cuts receipts, is expected to be depleted by mid-1982.

There have been five social security payroll tax increases since 1971, with the January increase hiking the maximum payment by 23 percent. Indeed, raising the payroll tax to help the system is self-defeating. To a businessman, who must match employee contributions dollar for dollar, the payroll tax is simply a labor cost to be recovered through higher prices. These higher prices are picked up by the Consumer Price Index and trigger higher benefits, which Congress again tries to fund by raising payroll taxes.

In 1979, the quadrennial Advisory Council on Social Security recommended that Congress sever the link between payroll taxes and medicare financing, a proposal which I have introduced as the Social Security Refinancing Amendments of 1981. Just

last month, the National Commission on Social Security made a similar recommendation.

My bill would eliminate that portion of the payroll tax currently used to fund medicare. The payroll tax would then be reduced to 5.5 percent—a 17-percent reduction from the current 6.65 percent—and held there until 2005, when it would rise to 7.5 percent. For the OASDI trust funds, these rates would bring a revenue increase over current law and would eliminate the likelihood of a shortfall in the 1980's.

To fund medicare, the bill establishes an "earmarked" portion of personal and corporate income taxes. Each taxpayer would be notified on his annual tax return of the percentage of his tax which will be used to pay medicare benefits. Use of this earmarked income tax, a recommendation of the 1979 Council, guards against the temptation to increase medicare benefits without informing the public how much those increases will cost.

Income tax funding of medicare would be ideal for our current economic situation because it would reduce inflation and increase employment by lowering business payroll tax costs. It would also reflect the fact that there is no relation, as there is with all other components of social security, between the amount of payroll tax a worker pays and the medicare benefit he may become entitled to when retired.

Since I think workers need tax relief as well as employers, I do not propose higher income taxes in my bill to fund medicare. Even if future economic developments do necessitate tax increases, they would be income taxes, which means that they would not be regressive, would not show up in price indexes which trigger benefit increases, and thus would not cause the inflation which the payroll tax does.●

U.S. FOREIGN AID CUTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to bring to my colleagues' attention the irony of two articles I read recently in the Washington Post and the Wall Street Journal.

The article in the Post describes new OMB Director Dave Stockman's plans for reducing our Federal budget outlays. According to the article, Mr. Stockman will be keying on our foreign aid programs. I imagine Mr. Stockman feels these programs lack a constituency here in the country and are easy targets for cuts. Apparently, Mr. Stockman intends to reduce the 1982 budget proposal for foreign aid

by \$2.6 billion. The OMB has established priorities which favor bilateral aid over multilateral aid programs and indicate that security assistance has priority over development assistance. Among the programs which they intend to reduce is the International Development Association.

The article in the Wall Street Journal describes the perilous situation being created by increased Third World indebtedness:

The nine largest American banks had \$38.6 billion on loan to developing countries, excluding the oil exporting states, at the end of 1979, according to the latest Federal Reserve figures. Moreover, these banks' capital totaled only \$21.9 billion.

In the past, the stability of this system has been assured through organizations like the International Monetary Fund and the International Development Association which make loans, with the encouragement of private banks, to hard-pressed developing nations. Suddenly, American commitment to these organizations is declining while their importance is increasing.

If it is not the banks which come to the administration expressing the logic of this system, perhaps it will be the American contractors who conduct billions of dollars of trade annually—in nonmilitary goods—based on American aid programs who will inform the new administration of the leverage which these funds provide in terms of American exports and jobs.

I am well aware that in this time of budgetary constraint we cannot please all the people all the time. But I do take exception to an administration which states its intention to make budget cuts across the board, and then proceeds to eliminate foreign assistance programs which benefit Americans as well as the needy in the world, to the advantage of military assistance and economic support funds which are destructive and questionable tools of foreign assistance.

I commend the articles to my colleagues' attention:

HUGE CUTBACK PROPOSED IN FOREIGN AID

(By John M. Goshko)

President Reagan's budget director, David A. Stockman, has proposed the biggest cutback of the U.S. foreign aid program since its inception in the aftermath of World War II. It would slice enormous chunks out of every phase of development assistance, tie it closely to American political interests and make it subsidiary to military aid.

A plan completed Tuesday by Stockman's Office of Management and Budget calls for slashing the \$8 billion fiscal 1982 foreign aid proposal submitted to Congress by former president Carter by \$2.6 billion to bring it down to \$5.47 billion. A copy of the OMB proposal has been obtained by the Washington Post.

To accomplish the cuts, Stockman's plan calls for drastically trimming every facet of nonmilitary aid: direct bilateral assistance to Third World countries, contributions to

multilateral development banks, international organizations such as U.N. agencies, the Food for Peace program and the Peace Corps.

If pursued by the Reagan administration, the Stockman proposals are certain to trigger an outburst of fierce opposition from foreign aid supporters in Congress and the traditional U.S. foreign policy establishment, which regards the programs as one of the most important tools for influencing events.

In particular, some informed sources said yesterday, it is likely to provide the first test of strength between Secretary of State Alexander M. Haig Jr., who is surrounding himself with foreign policy moderates, and those on the far right side of the Reagan administration whose first emphasis is on draconian budget cutting and an unabashed "America First" approach to the conduct of foreign affairs.

Haig's reaction to the Stockman plan is not known. But, the sources noted, if he accepts it in anything resembling its present form, he will be beginning his stewardship of the administration's foreign policy effectively deprived of what all of his Republican and Democratic predecessors in the postwar period regarded as one of their most important policy tools.

Haig tentatively is scheduled to meet with Stockman and other senior administration officials tomorrow to discuss the aid question. At a news conference yesterday he paid obeisance to the need for budgetary austerity, but noted pointedly that foreign aid "can sometimes be a very cost-effective way" of ensuring the success of American policy goals.

Entitled "Foreign Aid Retrenchment," the OMB document sets out as its underlying assumptions that "every major program should take some reduction," that "bilateral aid has priority over multilateral aid programs" and that "security assistance has priority over development assistance."

It goes on to conclude, "The primary impact of this proposal would be to eliminate or reduce U.S. participation in a range of multilateral organizations which are not responsive to U.S. foreign policy concerns... The reductions in aid would mainly affect the poorer countries of Africa and the Asian subcontinent."

"Bilateral development aid," it continues, "could be concentrated on a small number of countries of key importance to the United States, perhaps at the loss of influence in countries of lesser importance."

The Stockman proposals specifically argue that the United States should curtail sharply its contributions to the International Development Association, which is managed by the World Bank and which makes low-interest loans to the world's poorest countries. Although the United States recently pledged \$3.24 billion to the IDA for the 1981-83 period, the plan calls for Reagan to revoke the pledge and reduce the U.S. contribution by half.

In regard to other multilateral development banks, Stockman proposes that in 1981 the United States revoke its three-year pledge of funds to the African Development Bank, in 1982 stop replenishing funds of the International Fund for Agricultural Development and in ensuing years phase out its support for such other institutions as the Inter-American Development Bank and the Asian Development Bank.

The plan advocates big cutbacks of voluntary contributions to international organizations, and refusal to pay any unreasonable

increased assessments. It specifically suggests U.S. withdrawal from the U.N. Educational, Scientific, and Cultural Organization (UNESCO) because of its "pro-PLO [Palestine Liberation Organization] policies and its support for measures limiting the free flow of information."

In respect to the Food for Peace program (PL 480), Stockman's proposal would eliminate U.S. loans to needy countries to cover food purchases from America. It would continue to put U.S. surplus food into the hands of voluntary organizations such as CARE and Catholic relief agencies.

In addition to calling for cuts in bilateral assistance administered by the Agency for International Development (\$686 million below the Carter-proposed budget for fiscal 1982), the plan says that the Peace Corps' volunteer levels should be cut by 25 percent, a move that would force it to reduce its activities sharply and eliminate service in some countries where it now is represented.

The program treated most leniently in the Stockman plan is the Economic Support Fund, which is intended to promote stability in areas where the United States has special security interests.

In addition to continuing special exemptions for Israel and Egypt, the plan would increase ESF funding for certain regions, but it would eliminate a \$100 million contingency fund that the State Department argues is necessary to deal with unforeseen situations.

THIRD WORLD'S DEBTS, TOTALING \$500 BILLION, MAY POSE BIG DANGERS

(By Richard F. Janssen)

It doesn't show on any maps, but there's a new mountain on the planet—a towering \$500 billion of debt run up by developing countries, nearly all of it within a decade.

Is the debt mountain also a volcano?

Certainly, there are enough rumblings to worry bankers and government officials. Countries ranging from Nicaragua to Turkey to Zaire already have had to stall on repayments. Financial trouble now is erupting in others, such as Poland and Bolivia, and there's mounting nervousness about the biggest international borrower, Brazil. The dangers are casting a cloud over large commercial banks and possibly over economies throughout the world.

"Anything that grows so fast in an uncertain and shaky world must raise questions," says Alexandre Lamfalussy, chief economist at the Swiss-based Bank for International Settlements, which monitors debt trends for central banks. (The \$500 billion total includes loans from banks, governments and other external lenders to governments of nearly 100 countries, as well as government-guaranteed foreign loans and loans to be disbursed as projects proceed; but it excludes credits with an original maturity of less than one year.) Mr. Lamfalussy says the extent to which big commercial banks in the U.S. and other industrial countries have become burdened with loans to poor countries "somehow makes me uneasy."

A PESSIMISTIC VIEW

To some analysts in less sensitive positions, the situation looks starkly ominous, threatening a chain reaction of country defaults, bank failures and a general depression matching that in the 1930s. "The Third World has overborrowed," declares Thomas Balogh, an Oxford economist. In a 1980 analysis for London-based Lloyds Bank, he warned that "any default might have a domino effect" that could lead to "a catastrophe."

Although few observers rule out such dire possibilities, many expect a less cataclysmic outcome: Banks will have to wait longer for many loans to be repaid, and their growing skittishness will force poor countries to scrape by on less credit. Official agencies such as the World Bank and the International Monetary Fund will fill some of the credit gap, but the poor nations will suffer setbacks in living standards, face more political and military upheavals, and possibly run into more protectionist barriers as they desperately attempt to increase exports.

At the very least, the debts will impose a further drag on the already-sluggish economies of industrial countries. "I don't see a real crisis of defaults," says Karl-Otto Poehl, head of West Germany's Bundesbank. But, the central banker cautions, the combination of ever-costlier oil with credit that becomes "more difficult and more expensive" can chew up so much of a poor country's export earnings that it will have little leeway to import Western goods.

High-level confidence that a cataclysm will be averted doesn't indicate that bankers generally are unworried, of course. Before being tapped to head the World Bank, A. W. Clausen of Bank of America acknowledged that the problems were getting so much "stickier" that some sort of official "insurance" ought to be available to protect commercial banks from Third World risks. But no one has leaped forward to offer such coverage.

At the IMF, a 140-nation agency that helps financially shaky countries, Managing Director Jacques de Larosiere agrees that the surge in Third World indebtedness is a "serious element" in the world economy. Paying off debts now takes an average 15% of developing countries' exports, up from 12% in 1973, he says, adding that for some nations, the situation is much worse and "worrysome indeed."

POLAND'S PROBLEMS

Right now, Poland is the most prominent example. It has \$24 billion of foreign debt and a debt-service burden that is believed to equal nearly all of its current export earnings, which are being reduced by the nation's labor unrest. Advisers to the Solidarity labor movement are talking about the need for a repayments moratorium lasting several years as well as about arranging fresh credits. Although technically Poland isn't a developing country, the current upheaval there is the sort of surprise usually considered more likely in less stable Third World nations.

Appraising the risks faced by U.S. lenders in all these countries, observers cite one simple but ominous statistic: The nine largest American banks had \$38.6 billion on loan to developing countries (excluding the oil-exporting states) at the end of 1979, according to the latest Federal Reserve figures. Moreover, these banks' capital totaled only \$21.9 billion. So, in theory at least, they could all be forced into insolvency if only about half of their Third World loans were thrown into default and had to be written off.

Privately, senior U.S. bankers insist that the Federal Reserve never would let that theory be played out. "They go on the assumption that they aren't going to be let go down the drain, at least if they're big," observes Nathaniel Samuels, advisory director at Lehman Brothers Kuhn Loeb Inc. Third World governments tell themselves much the same thing—that they will be sustained by the international system—Mr. Samuels

notes, but he adds, "The system is getting a little stretched."

Moreover, says Irving S. Friedman, senior international adviser at First Boston Corp., "Banks aren't in the business of making poor loans." He says they are paying more attention to "country risk" analysis and setting voluntary ceilings on their own loans to any given country. And, bankers say, the Federal Reserve Board and other U.S. supervisory agencies are prodding them to be cautious.

DANGER TO BANKS

To the worriers, one of the most nagging concerns is that big banks themselves have become "hostages" to debtor nations. "If you borrow a million dollars from a bank and can't repay, you are in trouble; but if you borrow a billion dollars and can't repay, the bank is in trouble," Jack Guttentag and Richard Herring, professors at the University of Pennsylvania's Wharton School, wrote in a recent paper. Faced with a threat of default by a major borrower and thus with the bank's failure, a bank has little choice but to lend "still more in order to allow the borrower to continue servicing the debt," they contend.

Asked about widespread talk that this might already be going on, most bankers bristle and call it unthinkable. The few who do acknowledge that it is happening call the practice both commonplace and harmless. Poor countries rapidly developing their domestic industries "have to pay back by borrowing again," calmly responds Robert Holzach, chairman of Zurich-based Union Bank of Switzerland. As long as each country and each bank keep the credits "in proportion to their own sizes," he says, he will have "no fear whatsoever."

But other financial executives worry that too little of the borrowing is being used in ways, such as building factories, that will help poor countries earn the money that they eventually will need to repay the debts. To the extent that they are borrowing to finance imports for consumptions, such as food and oil, rather than for productive capital investment, "the economy is on the road to ruin," warns Kurt Richebacher, chief economist at Frankfurt's Dresdner Bank.

Indeed, Ashby Bladen, senior vice president for investments for Guardian Life Insurance Co. of America, finds it "wildly improbable" that developing countries will be able to increase their exports "anywhere near as fast as their oil bills and debt-service costs are rising." So they must "either go right on borrowing heavily" or see their imports and living standards plummet, he reasons in his recent book, "How to Cope With the Developing Financial Crisis."

The interest-rate rise of the past year or so does have "serious implications" for the debt problem, says Rimmer de Vries, senior vice president at Morgan Guaranty Trust Co. A decade ago, he estimates, the 12 largest Third World borrowers needed only 6% of their export earnings to pay interest owed abroad, but by 1980 interest took 16% of such earnings and this year "could jump to 20%." Usually, the interest rate on existing bank loans is changed every six months in line with rates on new credits.

A LAG IN RECYCLING?

Meanwhile, the continuing increases in oil prices by members of the Organization of Petroleum Exporting Countries also are intensifying the pressure on the Third World to keep borrowing. Partly because of OPEC price increases, nonoil poor countries face a

combined international-payments deficit of \$85 billion this year, up from \$75 billion last year, according to Morgan Guaranty estimates.

Ever since oil prices started soaring in 1973, commercial banks have provided about half the credit needed to cover such deficits, Mr. de Vries figures. But, like most experts, he questions how much more the banks can do to "recycle the OPEC surplus." He also complains that OPEC nations' own lending to hard-pressed poor countries is still "too modest." OPEC leaders themselves say they are stepping up their foreign aid, but often argue that they help mainly by letting their oil be used up and that the banks are better suited to take the risks of making loans.

Also stirring some worry is the possibility that poor countries could use their existing bank debts as a political lever against the rich. To resist protectionist moves against their products, for example, poor countries "might choose to renege on their debts," Lawrence B. Krause speculates in a Goldman Sachs research report. Such defaults would put banks in "an untenable position" and could cause "a world crisis," he says, although he adds that this disaster isn't likely because Western governments recognize how dangerous protectionism could become.

And while bankers generally believe that poor countries, for political reasons, wouldn't risk their credit-worthiness by deliberate defaults, some slightly unsettling signals have been noted. Unless they get a lot more foreign aid, "it will be difficult for many low-income countries to honor their debt obligations," Togba-Nah Tipoteh, Liberia's economics minister, cautioned at last fall's IMF meeting.

RISKY REPAYMENTS

Given the risk of revolution arising from enforced austerity, it mightn't even make sense for some of them to keep trying, says David T. Kleinman, a professor at Fordham University and a consultant on doing business in the Third World. He says a government facing "unbearable" oil and debt payments could choose default and rely on cash trade for a decade or more until it can afford foreign credit again. Eventually, the country could attract loans by installing a more "respectable" new regime.

Discussing banks that seem particularly exposed to Third World problems, analysts often cite New York's Citibank. Of the bank's 1979 net income, its annual report shows \$262 million came from the Caribbean, Latin America, Asia, the Mideast and Africa—considerably more than the \$193 million from North America (the 1980 figures aren't completed yet, but the overall situation isn't likely to have changed much, a spokesman says).

Among countries, Brazil is often mentioned in worried tones, mainly because of the size of its borrowings from U.S. banks—about \$16 billion as of mid-1980, or about one-third of Brazil's total foreign debt of approximately \$50 billion. And Citibank alone, its 1979 annual report shows, had \$4.2 billion sunk in Brazil, exceeding the \$3.6 billion of shareholders' equity in the parent Citicorp.

COMPARISONS CRITICIZED

But such comparisons greatly exaggerate the funds at risk in case of an international crisis because they include an undisclosed amount of purely domestic business in Brazil, retorts Jack D. Gunther, the bank's senior adviser for international operations. Anyway, he says, "we feel better than most people seem to" about the ability of Brazil,

and of other major developing-country debtors, to "overcome unexpected difficulties." Such countries tend to be better managed now than in past decades, he adds.

In probably the most comprehensive attempt to allay concern, a Citibank study finds only a small chance for "simultaneous default by a number of developing countries." Such a default could hardly happen unless a sustained cutoff of Mideast oil first causes a world depression, the bank contends, arguing that "in our age of inflation" governments are extremely unlikely to allow such "prolonged deflation."

But with commercial banks generally growing more skittish and governments granting foreign aid only grudgingly, more hope is being pinned on the World Bank and the IMF. However, the World Bank is geared to financing long-term projects such as steel mills, and the IMF itself is strapped for funds so badly that it is seeking to raise about \$8 billion this year from OPEC nations—an effort that has been bogged down for months in Mideast power politics.●

THE MEDIA AND THE HOSTAGE FAMILIES

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MURTHA. Mr. Speaker, it is my opinion that the unsung heroes of the recent situation in Iran were the hostage families that suffered for many months during this very difficult period.

The Ragan family of Johnstown was one of those families that endured the many months of uncertainty and concern. During that time, there was also a great deal of attention focused on the hostage families by the news media.

The Ragan case is the only one I know in detail, but I would like to congratulate the news media for their handling of the Ragan family. The media was sensitive to the privacy desired by the family. The family preferred not to be interviewed or appear on camera and the media was understanding of that request. The media honored the limitations asked by the family and tried to be reasonable in their dealings. This was a tremendous help to the family during a difficult period.

This was a difficult time for all the elements involved in the hostage drama, but I would like to congratulate the news media for their sensitive, understanding reaction to the Ragans.●

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. McCLOSKEY. Mr. Speaker, on January 29, I delivered a speech on the House floor discussing a slanderous and untrue publication by the so-called New Solidarity International Press Service (IPS), accusing a House staff member, Charles Fager, of being a KGB-linked spy. The International Press Service, an organization directed by Lyndon LaRouche, Jr., distributed these charges to all offices on the Hill. The International Press Service uses the short title IPS.

A legitimate new agency, Inter Press Service, shares the same initials as Mr. LaRouche's news agency although the two are not connected.

Inter Press Service was founded in 1964 as a Latin American news agency and has evolved into one of the largest wire services in the world. It now occupies a position in the forefront of the "New International Information Order" at the United Nations and UNESCO and is the only major international news agency from the Third World which is not government-owned, managed, or controlled.

It is my hope that other Members and individuals contacted by Inter Press Service (IPS) will not confuse this worthy organization with Mr. LaRouche's IPS, the so-called New Solidarity International Press Service, which apparently will continue to publish Mr. LaRouche's demented and paranoid ideas on the KGB, CIA, and his goals for a socialist state in America. ●

PROPOSED H.R. 913 WILL ELIMINATE U.S. INCOME TAX FOR AMERICANS WORKING ABROAD

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, last week I introduced legislation which would have a significant impact on the hundreds of thousands of Americans working outside of the United States, and which would have a positive effect on the U.S. trade balance. My bill, H.R. 913, would amend sections 911 and 913 of the Internal Revenue Code to eliminate all U.S. income taxes on earnings of Americans abroad.

In 1978, the Congress realized, in what has come to be known as the Ribicoff amendments, that it had made a dreadful mistake in reducing the foreign exemption in 1976. It was

EXTENSIONS OF REMARKS

apparent that we had shot ourselves in our collective foot in the 1976 act.

In our excessive zeal for tax reform, we forgot about the way our actions would affect our competitiveness abroad. Worse, our own mistakes were compounded by some grotesque Treasury rules that imputed high income for expenses of living in miserable circumstances abroad.

The 1978 amendments took care of some of the very worst Treasury rulings and helped to compensate Americans abroad for extraordinary living expenses. But they carried with them an awfully high price in administrative complexity and cost.

The real problem—and the problem which my bill addresses—is that the United States is the only major trading country to tax the earned income of its citizens who are working outside of its borders. Thus for U.S. companies, U.S. nationals are far more expensive to employ than are foreign nationals.

Therefore, the goods and services of U.S. companies abroad are not competitively priced unless the U.S. companies hire foreign nationals. The problems are extreme for services, such as construction, which have a high American supervisory labor cost component which cannot be easily replaced by foreign nationals.

As a result of the 1976 act, there has been a substantial dropoff in the number of Middle-Eastern construction contracts that are being awarded to American firms. During the period from June 1975 through April 1978, for example, U.S. firms received \$8.9 billion in construction contracts, or approximately 10 percent of the \$86 billion which was awarded during this period. However, from May 1978 through June 1979, after the Foreign Earned Income Act of 1976 had taken effect, U.S. contracting firms received only \$346 million in contracts in the Middle East, which was a mere 1.5 percent of the more than \$21 billion that was available.

Sections 911 and 913 of the Internal Revenue Code also poses cost difficulties for any U.S. firms who want to have Americans selling American exports in foreign countries. The 1976 changes are forcing Americans to be brought home in droves, as their employers cannot afford the extra expense the tax code imposes. These Americans have been replaced by foreign nationals. The foreign nationals are undoubtedly good people, but experience proves that they do not order American products instinctively as an American would, and they do not instinctively place American interests first.

In short, since 1976, a number of my colleagues in Congress have realized the implications of the 1976 act, and have warned that export business was being lost because of the unwise tax

policy in sections 911 and 913 of the code. More of my colleagues are realizing that the cost of the continuing trade deficits, and the effect on unemployment here at home, far outweigh the \$600 million static revenue loss the IRS has estimated total repeal of the foreign earned income tax would cost.

The time is now to pass H.R. 913, to do away with U.S. taxation on income which is entirely earned abroad. Passage of H.R. 913 is necessary if the Yankee traders are again going to be able to go abroad and compete fairly. I urge all of my colleagues to join me in supporting this vital legislation. ●

SOVIET AID TO GUERRILLAS IN SALVADOR DOCUMENTED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring the following article on El Salvador to the attention of my colleagues. It appeared in the Washington Star on January 23, 1981:

[From the Washington Star, Jan. 23, 1981]

SOVIET AID TO GUERRILLAS IN EL SALVADOR DOCUMENTED

(By Cord Meyer)

President Reagan has hardly had time to savor the triumph of his inauguration before being faced by the Kremlin with a severe test of his intentions and competence in the complex crisis brewing in El Salvador.

Documents captured early last month from the Communist Party of El Salvador reveal the full extent of the Soviet-orchestrated program of covert military support for the communist guerrillas. This evidence helped persuade a hesitant Carter administration to authorize as one of its last acts a \$5 million grant of guns and ammunition to the Salvadoran government.

While American and Salvadoran officials haggle over how best to surface this damning proof of Russia's intervention in Central America, an executive summary of what the documents contain gives highlights.

According to this record of how the Salvadoran communists successfully negotiated a series of arms deals with half a dozen communist states, the Soviets made the decision last June to step up the flow of arms to the guerrillas. Castro acted as the middle man.

SOURCES DISGUISED

Frequent visits of Salvadoran communist leaders to Havana to participate in mass propaganda meetings provided convenient cover for the negotiations. An attempt was made to disguise the source of the weaponry. For example, the Soviet client regimes in Vietnam and Ethiopia were designated as the main arms suppliers, since Vietnam holds large stocks of captured American weapons and the Ethiopian regime inherited a similar stockpile from the days of the American alliance with Haile Selassie, East Germany, Czechoslovakia and Hungary provided uniforms, communication gear and medical supplies.

Vietnamese-supplied American weapons began to arrive on the Pacific Coast of Latin America in September, and from there

were transported through clandestine channels to the fighting front.

The documents make clear that the Sandinista regime collaborated in allowing Nicaraguan territory to be used as a transshipment point. Training in the more advanced weaponry is being provided in Cuba, where Salvadoran guerrillas are being put through training courses, 300 at a time, before being infiltrated back into El Salvador.

In addition to large quantities of ammunition, the weapons shipped through a bewilderingly complex supply network included automatic rifles, heavy machine guns, mortars and rocket launchers.

Although the Carter administration more than a month ago had access to this hard evidence of Soviet intentions to escalate the violence, Carter did not react until last week when the scale of the guerrilla offensive demonstrated that the new arms supplies had actually reached the battlefield.

There is also an intelligence report that one of the Salvadoran guerrilla groups, the Popular Forces of Liberation, deliberately murdered the three American nuns on Dec. 2 in a successful attempt to lay the blame for the murder on the government. As described in the report, their purpose was to place the government of Christian Democrats and reformist officers "in the worst possible light" and to provoke the termination of American assistance.

CARTER FELL INTO THE TRAP

If this is in fact the true explanation of the murder, the guerrilla plotters to some extent succeeded. The Carter administration fell into the trap by suspending American aid. Coming just before the launching of the guerrilla offensive, this aid suspension was a blow to the morale of the Salvadoran government. It was only in the nick of time that Carter reversed himself in response to urgent pleas from Salvadoran President Jose Napoleon Duarte that his ammunition was nearly exhausted.

After such vacillation in the face of what must now be seen as a major move in Russia's geopolitical offensive, it would be difficult for Reagan not to improve on his predecessor's handling of the Salvadoran crisis. Steady military assistance to the centrist Salvadoran government will be widely supported in this country and by many wavering Latin nations once the proof of communist involvement is laid on the table.

But military assistance is only half the story. Unless the new Reagan administration quickly resolves its internal ideological differences by firmly supporting the Salvadoran government's current program of land reform, the peasants will have nothing to fight for, and the guerrillas may win by default. ●

RUFUS BURRUS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, it is a pleasure for me to take this opportunity to bring to your attention the contributions of an outstanding citizen. Rufus Burrus, an attorney in Independence, Mo., has served his community and his profession honorably and well for many years.

In a public expression of appreciation, the Independence Public School

District will recognize Mr. Burrus' 50 years of service to the district.

Also, in the near future, Mr. Burrus will be celebrating his 60th anniversary on receiving his license to practice law. He served as president of the Missouri Bar Association from 1949 to 1950. Mr. Burrus has already received 50-year pins from the Masonic Lodge, Scottish Rite Bodies, York Rite Bodies, and the Ararat Shrine. It is widely known that as an officer in the U.S. Army Reserve he served as President Truman's battalion adjutant and was also a close friend and legal adviser to the President.

Through the years, Mr. Burrus has served the community and the school system during some difficult times as a legal adviser and concerned citizen. He has earned the respect and friendship of the city's leading citizens.

For someone who has contributed so many years of service, please allow me, Mr. Speaker, to use this means to join Mr. Burrus' friends in congratulating him on receipt of his well-earned recognition by the people of Independence. ●

THE DEFECTIVE AIRCRAFT REMEDY ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SEIBERLING. Mr. Speaker, existing consumer laws provide reasonable redress for defective consumer products. However, for the owners of airplanes, there is little opportunity for such redress without resorting to lengthy and expensive litigation. Aircraft owners must meet the rigid safety standards required by the Federal Aviation Administration, or else lose their airworthiness certification. If their airplanes are defective, they face considerable expense in complying with routine airworthiness directives issued by the FAA. Since existing warranties on nonmilitary aircraft are very limited, it is difficult for aircraft owners to recover even part of the cost of effecting repairs required by a Federal agency, even when those repairs may be necessitated by a manufacturer's design or manufacturing defect.

With this in mind, I am reintroducing legislation I first introduced in the 96th Congress designed to help aircraft owners recover some of the expenses incurred in complying with airworthiness directives in cases where the safety problem is the result of a design or manufacturing defect. My bill, the Defective Aircraft Remedy Act, requires the Secretary of Transportation to determine whether the issuance of an airworthiness directive is the result of a safety problem caused by a design or manufacturing defect.

If so, the bill requires the manufacturer either to repair the defective part without charge within a specified time, or to reimburse the owner for the cost of the parts used in the repair. The bill requires owners who opt to make their own repairs to notify the manufacturer that they have done so not more than 30 days after receiving notice that a defect exists, and requires the manufacturer to reimburse owners who have elected to do their own repairs. Reimbursement would have to be made within 90 days after the manufacturer receives notice from the owner that repairs have been completed, or within 90 days after a final determination has been made that a safety problem is design or manufacturing related. The bill excludes labor charges as a reimbursable expense, and imposes a time limit on a manufacturer's liability of 1 year from the finding that a defect exists.

The bill also sets requirements for prompt notification by the manufacturer of discovered defects, and sets penalties for failing to make such notification. The Secretary is given the authority to reduce or eliminate the fines where necessary.

When introduced in the last Congress, the Defective Aircraft Remedy Act generated a good deal of interest among airplane owners and manufacturers. The bill is not intended to interfere in any way with existing aviation safety procedures. However, I am hopeful that the introduction of the bill will lead to a satisfactory resolution of aircraft warranty problems. ●

RETENTION AND RECRUITMENT OF RESERVE FORCES AND NATIONAL GUARD

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. DASCHLE. Mr. Speaker, I am today reintroducing legislation that I believe is very important for the Congress to approve. It affects the ability of this country to maintain a strong Ready Reserve and National Guard system. Specifically, it affects the ability of the United States to recruit qualified personnel for the Guard and Reserves.

Current law prohibits a Reserve retiree from receiving both a Reserve pension and disability compensation payments without one being reduced by the other. Thus, there is little financial incentive for military personnel to continue service in the Reserves or Guard. Such a policy thwarts efforts to strengthen the Reserves, which will be our second line of defense should NATO forces be overrun in Western Europe. At a time when

both the Guard and Reserves are struggling to reach their recruitment quotas, the consequences of this short-sighted policy could be devastating.

Former active duty military personnel are precisely the kind of soldiers needed for the Reserves and Guard. These people already have the training and technical abilities necessary to run the sophisticated equipment that will be used to repel the Soviet/Warsaw Pact invasion.

This legislation would remove this impediment and encourage already trained and qualified individuals receiving disability pay to consider Reserve or Guard service after they leave active duty. The status quo does not even offer these men the option.

In conclusion, this legislation is not as glamorous as the development and deployment of sophisticated new weapons systems. But in its own way, it is equally as important, for without qualified personnel to run these systems, our Reserve and Guard troops will be unable to adequately meet the challenges they are likely to face in the years ahead. Following is the text of the bill:

H.R.1578

A bill to amend title 38, United States Code, to allow veterans with service-connected disabilities who are eligible for military retired pay for nonregular service to receive compensation for such disabilities from the Veterans' Administration and to receive such retired pay without reduction in either such compensation or such retired pay

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3104(a) of title 38, United States Code, relating to duplication of benefits, is amended—

(1) by striking out "Except" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection and except"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Compensation under chapter 11 of this title and reserved retired pay pursuant to section 1331 of title 10 may be paid concurrently to any person."

Sec. 2. Section 3105 of title 38, United States Code, relating to waiver of retired pay, is amended—

(1) by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (b) of this section, any"; and

(2) by adding at the end thereof the following:

"(b) Any person who is receiving reserve retired pay pursuant to section 1331 of title 10 and who is otherwise eligible to receive compensation under chapter 11 of this title shall be entitled to receive such compensation without a waiver of all or any part of such retired pay."

Sec. 3. The amendments made by this Act shall apply to payments of compensation and retired pay for months after September 1981.●

THE STRENGTH OF THE AMERICAN ECONOMY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MILLER of California. Mr. Speaker, the troubled economy is the foremost concern of every citizen in this country and of each Member of the House of Representatives. We are all aware of the severe impacts of inflation and recession, of the long unemployment lines, and of the shrinking purchasing power of the dollar which affects all Americans.

We will most probably direct more attention to the repair of the economic system than to any other issue during the 97th Congress, as we should. It is, therefore, essential that, before we set out to redo the economy, we have a realistic concept of the true state of its condition.

A recent article by the former Chairman of the President's Council of Economic Advisers, Prof. Walter W. Heller, provided us with a perspective which, while not minimizing the seriousness of our economic ills, reminds us that the patient is not on its deathbed either. In fact, Professor Heller found, our economy not only continues to lead our major industrial competitors in virtually every standard of measurement, but shapes up rather well in comparative areas such as Government deficit as a percentage of GNP, labor costs, and Government spending.

Professor Heller is optimistic about the resilience of the American economy and I share his belief. We have begun to take important and overdue steps, such as regulatory reform, which will stimulate new development. We will have to carefully study the creation of special tax incentives in targeted industries and regions. As Dr. Heller points out, we should take these steps from the perspective that we are making a strong economy even stronger and more competitive.

The article from the Wall Street Journal, December 31, 1980, follows:

ECONOMIC RAYS OF HOPE

(By Walter W. Heller)

"Tis the season to be jolly. But does an economy—beset with double-digit inflation, record interest rates, a looming \$60 billion federal deficit, and a grinding energy problem—give us much to be jolly about?

Surprisingly, it does—well, not exactly jolly. But looking beneath the surface, one finds the U.S. economy in spite of its grievous and pressing problems is stronger than we think. That implies a companion theme: that there are a great many things people "know" that just aren't so.

Since it is fashionable to say that the U.S. economy is losing ground in the World and that we are no longer Number One, let me start with a few international perspectives on the U.S. economy.

Standard of Living

The U.S. standard of living has slipped behind that of our major competitors, right? Wrong. When exchange-rate distortions are stripped away to reveal the actual per capita flows of goods and services, the U.S. still stands head and shoulders above the rest of the world. A painstaking study by a Wharton School team of economists led by Prof. Irving B. Kravis enables us to make this comparison. With the 1978 U.S. living standard as a benchmark, the closest competitors among other major nations were France and Germany, at just over two-thirds of our standard, while Britain and Japan weighed in at just under three-fifths.

STILL IN FRONT

Productivity

We have fallen behind our trading partners, right? Wrong. The American worker is still the most productive in the world. If we ignore Satchel Paige's dictum and look behind us, we do indeed see others gaining on us. Twenty years ago, the French or German manufacturing worker produced half as much, the Japanese one-fourth as much, as the typical American worker. By 1979, Japanese productivity had risen to two-thirds, and the German and the French to four-fifths, of the U.S. level. Still, the battle to boost U.S. productivity in the Eighties is to maintain rather than regain the lead.

Labor Costs

Here lies the real reason we are losing our competitive edge in the world, right? Wrong. Last month's Citibank survey showed once again that the rise in U.S. labor costs is the slowest in the industrial world. In U.S. dollars, average hourly compensation in manufacturing rose from \$4.89 to \$10.16 in the U.S. between 1970 and 1979. It rose from \$2.30 to \$11.56 in Germany, from \$2.05 to \$9.19 in France, from \$1.65 to \$5.85 in Britain, and from \$1.11 to \$5.92 in Japan. In national currencies (that is, screening out the impact of dollar depreciation), Data Resources studies show that, in spite of faster productivity gains abroad, unit labor costs on a dollar basis rose only 6.3% a year in the U.S. from 1970 to 1979 compared with 13.4% in Germany, 12.5% in France, 11.8% in Britain and 15.6% in Japan.

Foreign Trade Position

Nonetheless, it is true that we are losing our competitive edge, isn't it? No. From the spring of 1977 to the spring of 1980, the volume of American exports increased one-third, considerably faster than the overall volume of world trade. In dollar terms, our merchandise exports rose from \$115 billion in 1976 to an annual rate of \$225 billion in the third quarter of 1980. But that's mostly agriculture, right? Wrong. Exports of manufactured goods rose from \$77 billion in 1976 to an annual rate of about \$140 billion in the first nine months of 1980. Clearly, our competitive position has strengthened.

The Dollar

In the light of all these comparisons, why should the dollar be weak as a kitten? It's not. With our international current account in virtual balance this year in spite of huge oil imports, with funds from more turbulent parts of the world seeking safe haven in the United States, and with very high interest rates, the dollar is strong. It has risen more than 10% against the German mark in the last year. Even measuring it against a basket of currencies including the very

strong British pound and Japanese yen, it has risen by 3% over the past year.

Government Spending

Our government claims so much more of our total output than in other countries that we end up with lower private consumption levels, right? Wrong. Only in Australia and Japan do governments spend a smaller percentage of gross domestic product than the 34% spent by our federal, state and local governments in this country. France weighs in at 40%, Germany at 42%, Britain at 44%, the Netherlands at 51%. And as to that "crushing burden of taxes," only Japan among our major competitors comes in below the U.S. figure of 29% of GDP. France is at 39%, and Germany and Britain at 37% and the Netherlands at 46%.

Spending Trends

But government spending in the U.S. has been skyrocketing in the past few years, hasn't it? Yes and no. Transfer payments soared in the '70s. According to the Advisory Commission on Intergovernmental Relations, per capita government spending (adjusted for inflation) did rise to a peak of \$1,605 in 1978. But then it dropped to \$1,580 in 1979 and is dropping farther to \$1,540 in 1980. Isolating federal non-defense spending, the commission finds that real per capita outlays peaked in 1978, fell significantly in 1979 and are falling again in 1980. In cutting civilian spending and boosting defense outlays, the Reagan administration will be continuing rather than reversing a trend. The reversal took place two years ago.

Deficits

But nobody runs government deficits as big as ours, right? Wrong. Total government deficits have been running at just above 1% of GNP in the U.S. (1977-79), 3% in Germany and 6% in Japan. Of the seven leading industrial countries, the U.S. has had the lowest ratio of overall government deficits to GNP.

Government Debt

How can that be when government debt is rising faster than any other kind of debt in the U.S.? It's not. The federal debt today is roughly three times its size in 1950, while consumer installment debt is roughly 14 times; mortgage debt, 16 times; corporate debt, 13 times; and state-local debt, 14 times its 1950 level. Even with the unprecedented run-up of federal debt in the 1970s, corporations, consumers and homeowners substantially outdistanced Uncle Sam in percentage expansion of their debt.

Federal Work Force

If spending and deficit figures are right, how is it that the federal civilian work force has been climbing so steadily? It hasn't. It has shrunk from 1,987,000 in 1970 to 1,867,000 in September 1980. Under the Carter partial freeze on hiring it has shrunk 21,000 in the past five months.

It is worth re-emphasizing the point here is not to Pangloss over the painfully high inflation, unemployment and interest rates that beset the U.S. economy. The point, rather, is to remind ourselves that we lead from strength, not from weakness.

The Soggy Seventies

Yes, but look at that miserable record of the 1970s: slipping productivity advances, sliding growth rates, slowing investment and sagging real income and buying power. Right? Only partly:

Much of the erosion on these fronts has a very short history, namely, the past two

years when efforts to slow inflation sapped the strength of expansion in 1979 and generated a recession in 1980. Real buying power did fall.

For the decade, however, the surprise is that per capita real income rose 23%, and real consumption 25%. Even after it dropped in the 1980 recession, per capita real income was running at an annual rate of \$4,448 in the third quarter of 1980, compared with \$4,200 when Mr. Carter took office. Much, though not all, of the advance in the 1970s can be traced to the 26% growth in the civilian labor force from 1969 to 1979.

Surprisingly also, per capita output rose 2% annually in real terms from 1969 to 1979, not dramatically less than the 2.5% rise from 1957 to 1969.

Under the heading of "keeping up with inflation," another surprising fact: the latest Department of Agriculture figures show that food took roughly 15% of before-tax income in 1979, only slightly more than the over-14% level in 1970.

The Ailing Eighties

Roaring inflation, soaring interest rates, searing energy shortages, aging industrial capital and poor labor performance are some of the factors said to threaten us with an economic Dunkirk in the Eighties. But as President-elect Reagan and the Congress tackle these tough problems, they will find that some important trends are working for them, not against them.

First, and perhaps most important, demographic trends should be a plus on the economic front:

Workers in the 25-44 age group—the prime age group in terms of increasing skills and experience, motivation and ambition—will increase from less than 50 million today to more than 60 million at the end of the decade.

Simultaneously, the influx of inexperienced teenagers and women into the labor force will slacken. The 1980s will see only half the 26% increase in the labor force of the 1970s.

CAPITAL SPENDING OUTLOOK

As capital investment steps up in the 1980s, productivity should be given another boost. We were substituting labor for capital in the Seventies, but we will be reversing that process in the Eighties. Favorable government investment policies will reinforce that demographic thrust. More generous depreciation will surely be a part of the 1981 tax cut. Moreover, in the latter half of the Eighties, the high-spending members of the post-war baby boom will be graduating into the higher saving ages.

Further, the genuine efforts already under way to cut back economic regulations and stimulate competition and to cut the costs of social regulations will be paying off in the 1980s. Stronger competition and lower regulatory costs will provide at least some modest help in the fight against inflation.

The battle to regain our economic momentum and subdue inflation will be long and tough. But no country can draw on greater underlying strengths than the United States in fighting that battle. The challenge to the Reagan administration and the Congress will be to marshal those strengths, capitalize on them not just for private profit but for the common good, and restore faith and confidence in the American economy.●

MINNESOTANS SAY "LIFT GRAIN EMBARGO"

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, today I introduce to the floor of this House of Representatives a resolution from the Minnesota Agri-Growth Council, Inc. Their resolution, I believe, represents the feelings of most rural Americans. And I know that such resolution reflects the feelings of Minnesota agriculture. I urge the Congress, as well as our new President, to work quickly to lift the Soviet grain embargo and to make a commitment to rural Americans that embargoes will not be placed on agricultural products unless a true national emergency exists.

MINNESOTA AGRI-GROWTH COUNCIL, INC., 1980 RESOLUTION

Whereas governments have consistently pledged that they would not interrupt the market process and export sales; and

Whereas this country's recent history of grain embargoes has proven economically devastating to the producer and support industries; and

Whereas agricultural embargoes are totally ineffective as a punishment tool in foreign policy;

Therefore let it be resolved, That the Minnesota Agri-Growth Council, Inc. does hereby support the pledge of President-elect Ronald Reagan to lift the current grain embargo to Russia with immediate speed.

Be it further resolved, That government at every level recognize the fact that agricultural embargoes such as the grain embargo do not work and severely cause adverse damage to the image of the United States and create consternation with our customers. Agricultural embargoes should not be imposed in the future.

Thank you, Mr. Speaker.●

TREASURY REGULATIONS ON THE ENERGY TAX ACT OF 1978

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, on September 19, 1980, the Treasury Department issued proposed regulations to implement the Energy Tax Act of 1978, Public Law 95-618. Unfortunately, the regulations as they were proposed did not accurately reflect the intent of the Congress with respect to the tax credit for the installation of specially defined energy properties.

In the proposed regulation, the Treasury took the position that the specially defined energy properties must be installed in a commercial building, and must be used to reduce energy in a specific manufacturing or commercial process, in order to be eli-

gible for the energy tax credit. The Treasury ruled that energy properties installed in a commercial building not involved in manufacturing, such as a retail store, would not be eligible for the energy tax credit.

The ruling was issued in spite of the fact that the report language issued by the Ways and Means Committee, as referred to by the conference committee report, stated that the specially defined energy properties eligible for the energy investment tax credit shall consist of "equipment added to an existing building or process to conserve energy."

The report also stated that items included in the list of specially defined energy properties are—

automatic energy control systems, which are equipment used to control energy usage for environmental space conditioning . . . which automatically minimize such energy usage.

The report language obviously intended for these specially defined energy properties to be installed in commercial buildings, as long as they were used to conserve energy. The language does not contain any references which would limit the application of the tax credit to commercial processes only.

The facilities in the Treasury's ruling were brought to its attention by myself and many other Members of Congress, as well as by many experts in energy tax law in the private sector. Unfortunately, when the Treasury chose to take one last stab at lame-duck legislating, it reissued the regulations in final form, substantially unchanged from their proposed form. This was in spite of all of the objections the Treasury had received on the regulations during the 4-month comment period and during the public hearings.

My first advice is for the new Treasury to rework the regulations. Since that may take a widely in order to clarify the intent of Congress for the Treasury with respect to eligibility for energy tax credits, I have introduced a bill, H.R. 1378. My bill expands the section of the Internal Revenue Code dealing with specially defined energy properties to include all commercial activities, not simply commercial process.

I think that this legislation is necessary if the energy tax credits Congress enacted in the Energy Tax Act of 1978 are to be used to their full potential. This bill is also necessary to remind the Treasury that it is the Congress, not the Treasury, that controls tax policy. Treasury's function is to collect the taxes the Congress levies, not invent taxes of its own.

I urge all of my colleagues to join me in supporting this important legislation, so that our country can maximize the energy savings which were the

purpose of the Energy Tax Act of 1978.●

WORLD WAR I VETERANS' BONUS BILL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. GONZALEZ. Mr. Speaker, once again I am introducing a bill to give all World War I veterans who served from April 6, 1917, to November 11, 1918, a bonus of \$10,000. This would be in a lump sum and amounts to about \$208 per year for each year since 1918. I do not believe that the price tag is too large to pay a belated thanks to those now in their eighties and older who came to the aid of our Nation in time of need. In a small way this will compensate those veterans who have never received the wide range of benefits that have been available to veterans of other wars.

It has been some time now since the United States was engaged in World War I and many of those veterans who fought in this war are no longer with us. Those who are still alive are particularly the hardest hit not only because of their age, but due to our serious economic conditions today. Many are living on fixed incomes and even though a bonus may not make them rich, it will enable them to live out their golden years with the pride and respect they deserve.

I received many letters from all over the country in support of my bonus bill last year, especially from the veterans and their families. They were very grateful that such legislation was introduced on their behalf as many of them are in VA hospitals or confined to their beds at home and are worried about their expenses. I am strongly committed in helping these individuals and that is why I am reintroducing my bonus bill today.

Mr. Speaker, we have provided very little for these veterans. Surely the Government should be willing to help out those who put their lives on the line 64 years ago. It is important today to recognize the role these elderly of our society have played in making our country what it is today. I cannot think of a more meaningful way than to honor the World War I veteran through this financial reward.●

POW'S AND MIA'S FROM VIETNAM—OUR REMAINING HOSTAGES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. BIAGGI. Mr. Speaker, as this Nation understandably basks in the

happiness achieved with the safe release of our 52 hostages from Iran, let us not forget the hundreds if not thousands of our fellow Americans who are missing in action or made prisoners of war.

When we look back at the Iranian hostage ordeal, we vividly remember how long 444 days seemed. But as an article in yesterday's New York Daily News pointed out:

There are hundreds of families who have waited longer than 444 days.

Mary Carol Lemon has been waiting for 2,765 days.

Anne Graf has been waiting for 4,015 days.

Herman Sarno has been waiting for 10,950 days.

They are relatives of the MIA's, the men missing in action in Asia.

We must never abandon our commitment to achieving the safe release of a full accounting of our POW's and MIA's. They have served their Nation with honor—they have sacrificed so that others could be free. The Reagan administration should renew contacts with all governments where there are American POW's and MIA's and renew the effort.

We have learned firsthand from our released hostages about how important a united American populace was to them. So too did the families of the 52. We need to show a renewed national resolve on behalf of our POW's and MIA's. Their safe release or full accounting must always remain a national priority.●

SPEAKER JOHN W. McCORMACK, A GREAT FRIEND OF MEDICAL EDUCATION

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. O'NEILL. Mr. Speaker, this morning I received a message from the Society for Medical Education, St. John's Medical College, of Johnnagara, Bangalore, India. As you know, during his tenure in the House of Representatives, Speaker John W. McCormack was devoted to the improvement of American health care, and was a great friend of American medical education.

His dedication to health care extended to all of the peoples of the world, and one institution through which his concern was manifested was St. John's Medical College.

I submit the remarks of St. John's Medical College on the passing of Speaker McCormack.

Thank you.

RESOLUTION

This meeting of the Executive Committee of the C.B.C.I. Society for Medical Education, wishes to place on record its sense of

bereavement and heartfelt condolences and sympathies on the sad demise of Mr. John William McCormack, former Speaker of the House, U.S.A., who had been responsible to a very large extent in the building up of the St. John's Medical College Hospital and in securing grants for the hospital to continue to serve the poor and needy in perpetuity.

C. M. FRANCIS, MBBS, Ph.D.,
Dean. ●

CHANGES NEEDED IN THE TRADE ACT OF 1974

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SEIBERLING. Mr. Speaker, the January 1981 report of the Department of Transportation on the future of the U.S. auto industry paints a bleak picture of the prospect for reversing the current trend of job losses. In fact, the study suggests that as many as 500,000 manufacturing jobs may be lost over the next 10 years, almost all of them located in a handful of States and cities in the Northeast-Midwest region. The study also finds that it will take the industry at least 5 years to return to full competitive strength, and that the industry will have to spend up to \$70 billion to produce a supply of the fuel-efficient cars the auto-buying public is now demanding.

The DOT study concludes that, if we are to reverse the disastrous decline of our domestic auto industry, we are going to have to develop a spirit of co-operation between labor, industry, and Government. One of the steps which Government can take to aid in the recovery of the auto industry is to increase support for worker retraining and for community redevelopment. Indeed, if the auto industry loses anything like the number of jobs the DOT study predicts, it will be absolutely vital for the Federal Government to provide adequate retraining assistance.

In May 1979, the House passed H.R. 1543, legislation to amend the Trade Act of 1974. H.R. 1543 would have amended chapters 2, 3, and 5 of title II of the Trade Act of 1974, Public Law 93-618, for trade adjustment assistance to workers and firms in order to improve the operation of these programs. The bill sought to broaden the coverage of workers and firms who may become eligible for adjustment assistance benefits due to import competition, remove certain inequities in existing law with respect to such coverage, liberalize adjustment assistance benefits to workers and firms, accelerate the certification process and delivery of benefits, and introduce industrywide technical assistance and studies. Most significant, H.R. 1543 sought to broaden coverage to include independent companies manufacturing key parts for import-impacted

firms. Unfortunately, the bill was never considered by the Senate during the 96th Congress.

I am today introducing legislation to make further changes in the Trade Act of 1974. My bill contains the text of H.R. 1543, as passed by the house in the 96th Congress, with several key amendments which were not included in that bill. These amendments are as follows:

New section 103(b), which would make eligible for trade adjustment assistance workers who have lost their jobs because their parent firm shuts down a U.S. plant and opens a foreign subsidiary producing essentially similar parts or products.

New section 103(c), which would extend trade adjustment benefits to employees of independent auto dealers. In the event that a dealership sells both domestic and imported cars, the employees of the dealership would not be eligible for benefits if less than 75 percent of the annual sales of the dealership are domestic cars.

New section 106(b), which would permit authorized sick leave—or absence from work due to work-related injury—to be counted toward the work requirement in the qualifying year. This section would also require the Secretary of Labor to reconsider applications by workers who were previously denied certification because they failed to meet the work requirement due to illness or injury in the qualifying year.

Each of these new sections redresses what are, in my view, serious inequities in the current law governing trade adjustment assistance. Section 103(b) would make eligible, for the first time, workers who lose their jobs because corporations decide to take advantage of cheaper labor in other countries. It seems to me that these workers are the victims of the actions of multinational corporations and should be eligible for retraining under the provisions of the Trade Act of 1974.

Section 103(c) would remedy an inconsistency in the administration of the current law. In general, employees of auto dealerships are ineligible for trade adjustment benefits. However, the Department of Labor has granted TRA certification to employees of dealerships which are wholly or mostly owned by the major auto companies. Members of Congress are left in the unfortunate position of trying to explain to employees of independent auto dealerships why they are ineligible for TRA, while the employees of a dealership down the street have been certified because their dealership is owned by one of the major auto companies. This illogical result is unjust to the employees of independent auto dealerships and should not be allowed to continue.

Section 106(b) would rectify one of the most unfortunate inconsistencies

in the current law governing TRA. Under current law, an employee of an import-impacted firm must work at least 26 of the 52 weeks immediately preceding layoff in order to qualify for adjustment assistance benefits. The law does not permit sick leave to be counted toward the work requirement. In my own congressional district, I have a constituent who worked for one of the tire companies for more than 20 years before being laid off due to import penetration. Because my constituent had the misfortune to be injured on the job in his qualifying year, he was unable to work enough to meet the 26-week work requirement and was thus ruled ineligible for TRA. Other workers in the same plant, with less than one-seventh the length of employment of my constituent, were able to collect TRA benefits. I have heard from others all over the country in similar predicaments.

I recognize that Congress continues to face serious budgetary constraints, and I agree that it is vital for us to work to reduce the Federal deficit. However, it is clear that it will take many years to resolve the problems of the auto industry. In the meantime, we must act to provide adequate assistance to retrain those industry employees who lose their jobs during the current crisis. A section-by-section analysis of my bill follows:

SECTION-BY-SECTION ANALYSIS OF LEGISLATION INTRODUCED BY CONGRESSMAN SEIBERLING TO AMEND THE TRADE ACT OF 1974

Section 101 does not amend the Trade Act of 1974. It requires the Secretary to reconsider promptly certain petitions for certification filed between October 3, 1974 and November 1, 1977 if these petitions were rejected because the petitioners failed to meet certain eligibility criteria. Section 101 also permits workers who did not file petitions between April 2, 1975 and November 1, 1977 to file following the date of enactment of the bill.

These provisions are necessary because there is substantial evidence that the Department of Labor inadequately publicized the TRA filing limits.

Section 102 permits the Secretary of Labor to file petitions for certification on behalf of any group of workers. This provides an additional method of filing.

Section 103(a) amends current eligibility criteria for TRA by permitting certification when workers have become separated from their jobs, or are threatened to become totally or partially separated. This section also makes eligible workers in independent firms or subdivisions supplying essential parts or services to be certified when the firm to which the parts or services are provided is certified as import-impacted. These are key changes in current law, which restricts certification to subsidiaries of the import-impacted firm (thus excluding independent suppliers).

Section 103(b) extends eligibility for TRA to workers who have lost their jobs because the parent corporation shuts down a U.S. plant and opens a foreign one which manufactures essentially similar products. The Secretary of Labor would be required to determine whether the closing of a U.S. plant

is directly related to the opening of a foreign subsidiary plant.

Section 103(c) extends TRA benefits to employees of independent auto dealers. In the event that an independent auto dealer sells both foreign and domestic cars, the employees of the dealership shall be certified if domestic sales of the dealership accounted for not less than 75% of total sales.

Section 104 requires the Secretary of Labor to cooperate with the Secretary of Commerce in providing information relative to petitions for certification for TRA eligibility. The Section also prohibits the issuance of any TRA payments to workers certified under the provisions permitting certification when there is a threat of a decline in sales as provided for in Section 103 until the decline in sales has actually taken place.

Section 105 requires the Secretary of Labor to provide whatever assistance is necessary to workers preparing petitions for certification for TRA.

Section 106(a) makes three changes in the qualification for TRA. Current law requires a worker to have at least 26 weeks of work in adversely affected employment in the 52 weeks immediately preceding layoff. That work must be with a single firm or subdivision of the firm. 106(a) makes a worker eligible with 26 of 52 weeks of employment or 40 of 104 weeks preceding layoff. The single firm or subdivision requirement is eliminated. However, to be counted toward the work requirement, each week of employment must have been with firms eligible for TRA. (i.e. import-impacted).

Section 106(b) permits sick leave and absence from work due to work-related injury to be counted toward the work requirement in the eligibility year for qualifying for adjustment assistance benefits. This section also requires the Secretary of Labor to reconsider applications for certification for TRA from workers who were previously denied eligibility because they failed to meet the work requirement due to illness or injury in the qualifying year.

Section 107 amends the time limit on trade readjustment allowances to extend the maximum benefit period for a worker in an approved retraining program from 26 weeks to 52 weeks beyond the basic 52 week period. Thus, the maximum total benefit period for trainees would be extended from 78 to 104 weeks.

Section 108 provides for the establishment of a variety of experimental and demonstration projects to improve techniques for retraining workers.

Section 109 increases the job search allowance from a maximum of \$500 to a maximum of \$600.

Section 110 increases the maximum relocation allowance from \$500 to \$600, and makes more flexible the current time limits on when a worker may receive a relocation allowance.

Section 111 amends certain definitions in the Trade Act of 1974. Essentially, the change in definition makes eligible for TRA a worker in non-adversely affected employment who is "bumped" from his job by a more senior worker who transfers from adversely affected employment to the "bumpers" job.

Section 201 makes changes in the eligibility criteria for firms seeking adjustment assistance, and permits TRA to be given to a supplying firm meeting certain specific criteria.

Section 202 amends the criteria by which the Secretary of Commerce provides technical assistance to firms in preparation for

economic adjustment in response to import penetration.

Section 203 amends the manner in which the Secretary of Commerce may make loans to import-impacted firms.

Section 204 amends current law with regard to the conditions for financial assistance to firms (essentially dealing with interest rates on direct loans).

Section 205 expands the requirement of the Secretary of Commerce to provide full information to firms about firm adjustment assistance.

Section 301 establishes the Commerce-Labor Adjustment Action Committee to facilitate the coordination of adjustment assistance programs.

Section 302 adds provisions to the Trade Act of 1974 to authorize grants for industrywide technical assistance and studies. The Secretary of Labor is authorized to make grants up to \$2 million annually for the development and evaluation of programs designed to improve worker adjustment assistance. The Secretary of Commerce is authorized to make grants of up to \$2 million for the development and evaluation of programs designed to improve economic efficiency.

Section 303 establishes the effective date of the bill as October 1, 1979. In order to provide the Department of Labor with sufficient time to promulgate regulations, certain sections of the bill would not become effective until 60 days after enactment, but the bill would still apply to workers separated from employment on or after the effective date of the bill.●

THE WINE INSTITUTE'S JOHN DE LUCA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MILLER of California. Mr. Speaker, I am enclosing for the information of my colleagues a recent profile of John De Luca, president of the Wine Institute, from the December 1980 issue of the Executive. Mr. De Luca has done a fine job in bringing the California wine industry to the prestigious position in the world that it occupies today. I congratulate Mr. De Luca on his success, and wish him and his organization continued success in the coming years.

The information follows:

WINE INSTITUTE'S JOHN A. DE LUCA

(By Scott Winokur and Steven Ludwig)

As San Francisco's deputy mayor between 1968 and 1975, John A. De Luca was the No. 2 man "running one of the most demanding, complex and challenging cities of the world," he recalls.

"All phases of city policy and day-to-day operations were entrusted to me. In urgent form, I had to deal with police and minority matters, with development and planning issues, with problems relating to housing, recreation, pollution, transportation, utilities, energy conservation, neighborhood arts, library services, culture and education.

"I was confronted many times with racial, student and neighborhood demands. Sometimes, they were accompanied by threats and disorders. Always they required direct

talks and long and patient resolution. The demonstrating during the San Francisco State crisis of 1968-69 brought me to campus for student and faculty negotiations over many weeks. And I played a central role in dealing with some 35 strikes and disputes in the public and private sectors."

He was then Mayor Joseph Alioto's right-hand man and had the job of translating Alioto's policies into actions. His activities increased as the mayor quickly moved onto the national political scene and then became embroiled in a variety of scandals, all of which took away from Alioto's time in the office. De Luca recalls that his role became so significant that several columnists griped, "Who the hell elected John De Luca mayor of this town?"

These days the cordial, affable executive seems more relaxed than he must have during the hectic, harrying days as Alioto's alter ego. Since 1975, the short, somewhat stocky De Luca has been president of the Wine Institute, the non-profit trade association of California vintners and wine-growers headquartered on Post Street.

In effect, he's the official spokesman for a \$2 billion industry that produces almost 90 percent of the wine made in the U.S. and 70 percent of all the wine imbibed in this country, including imports.

The association, with a budget of about \$2.6 million, promotes the state's wine industry interests via a variety of educational, legal, lobbying and interstate and international negotiating activities. Its 50-person staff also conducts extensive economic studies and works on problems of energy, environment, quality control, sanitation and safety.

De Luca has brought stability and increasing influence to what was a deeply troubled organization in the pits when he arrived five years ago.

The institute was formed in 1934 and helped revive California's wine industry in the aftermath of prohibition, boosting labeling standards and educating Americans to wine's joys.

Then the grapes hit the fan in 1975. In a major recessionary shakeout, several small vintners faced bankruptcy and a grape glut challenged the entire industry.

Some 20 wineries withdrew from the group, including second-ranking United Vintners. That firm reportedly left because it felt membership in a trade group presented bad connotations amid its antitrust hassles with the government (United recently finally won that case and De Luca hopes it will return to the association's fold now). Smaller wineries also were threatening to quit because they felt the institute favored the big guys.

Using the political and administrative skills honed in his earlier career, De Luca has quieted internal squabbling, carefully sees to it that all vintners' interests—large groups and small—are represented and has boosted membership from 164 to 373.

These days, his hassles involve the outside world rather than problems within the group or industry. For instance, he and the institute are combatting new federal requirements that mandate vintners provide ingredient information on their labels. These new rules reflect a lack of understanding, De Luca claims: "Wine is not produced from ingredients, a little bit of this, a little bit of that. It's not a concoction. It's the product of the natural fermentation of grapes."

Also, he's out bucking for changes in states' laws governing the sale of wine. "You

cannot distribute this product in the United States the way other products are distributed," he notes. "You can have legitimate legal discrimination. Instead of running afoul of antitrust violation, you can have people—two- or three-man boards—sit down and fix prices for a whole state and determine what goes into a store and what doesn't go into a store."

The intent of such systems is to avoid alcohol abuse, De Luca explains, and their origins date back to the post-Prohibition era. But he still sees such systems as hampering fair trade and is fighting for change.

De Luca enjoys wines, drinks two glasses daily with meals, but denies being an oenologist: "I probably am the least informed president that the institute has had when it comes to the actual knowledge of wine."

However, he adds, wine was part of his culture and he helped his father make wine at home. De Luca's father was from Italy, his mother was born in the U.S. but raised in Italy and the two met and married in Sicily.

The father's initial admiration for Mussolini soured in the early 1930s and, for a combination of political, personal and economic reasons, he left the country and went to Honduras for two years. He wanted to enter the U.S. but couldn't qualify—until his wife returned to the U.S. as a citizen and "called" him here.

John De Luca was born in New York in 1933 and raised there through his mid-teens. The family struggled through the Depression, with the senior De Luca working as a journalist, in a mattress factory and then a machine shop ("He took anything he could get," says De Luca) and the mother working in New York's garment district.

In the late 1940s, the family emigrated to California and De Luca's father entered the electronics business, concentrating on radar work.

"The one recollection I have from both of my parents (his father died a couple of years ago, his mother is still alive) was a great insistence on education," De Luca reminisces. "And my dad said, 'There isn't anything economic that I can give you. But I'll do everything in my power to make sure you go to school, don't worry about working.'"

De Luca attended UCLA and obtained a bachelor's degree in political science in 1955, graduating Phi Beta Kappa. He went on to garner a master's in Soviet studies from Harvard University, studied at the University of Rome's Middle East Institute in 1959-60 as a Fulbright Fellow, the Gramsci Institute of Rome in 1962 as a Foreign Ministry Fellow and in 1967 obtained a Ph.D. in political science from UCLA as a Charles Fletcher Scott Fellow.

His journey through the groves of academe also involved stints as a teacher of Soviet affairs and French government at UCLA in the late 1950s and early 1960s. He also was an assistant professor in international relations at San Francisco State University in 1964-65 and an assistant professor in government at UC Davis in 1965.

Amid these academic pursuits, De Luca slipped in practical experience during his European period. He was a guide at the American National Exhibit in Moscow in 1959, trying to sell American voting machines to the Russians. At the exhibit, he witnessed the famous "kitchen debate" between Vice President Nixon and Soviet Premier Khrushchev.

He traveled with U.S. plastics and medicine exhibits through various Soviet cities

in the early 1960s and briefly was detained in the Ukraine for "conduct unbecoming a guest in the Soviet Union."

De Luca recalls, "I was a guide for the exhibits and I was speaking in the middle of local squares. People asked me questions about life in America, the political process, the black situation. I'd come off hours and as I'd go to a restaurant or be walking in a park, someone who had seen me that day would come over and start a conversation—and suddenly there would be 20, 30, 40, 100 people."

"I remember once addressing several hundred people in Stalingrad—now Volgograd—and I brought up the so-called 'cult of personality,' what Khrushchev was saying about Stalin. I told them 'You guys have the problem all wrong. You're not talking about the cult of personalities in the Soviet Union. Your real problem is the cult of the party and what it means.'"

Professional hecklers from Soviet intelligence confronted him in debate there and then brought charges that he had slandered the Soviet system. "Petitions were sent in for me to cease this kind of 'agitation' or 'propaganda,'" De Luca says. He was detained briefly, then went on to head the American delegation to a 1962 International Conference of College Youth in Italy before returning to the U.S. to resume his learning/teaching activities.

In 1965, he quit his UC Davis post to become a White House Fellow for one year, becoming involved in national security affairs with McGeorge Bundy, Bill Moyers and Walt Rostow.

Staying on in Washington, D.C., he served as a special assistant to Sen. Frank Church (D-Ida.) from September 1966 to May 1967, again concentrating on foreign affairs.

In the summer of 1967, when De Luca was about to return to San Francisco as a lecturer in international affairs at the Stanford Research Institute, he was introduced to Joe Alioto. De Luca had asked associates to put him in touch with influential Californians and Alioto was one such wheeler-dealer.

"My first introduction to him was as general counsel of the Rice Growers," De Luca says. "I didn't know he was a lot of other things—a very famous antitrust attorney, a man who had served on the San Francisco Redevelopment Agency, been chairman of the Board of Education, had a very rich cultural life, was on a number of boards."

De Luca also didn't know Alioto was planning to run for mayor but Alioto did and was intrigued by the young man: "He told me I came from a background and experience that was very interesting. He said he wanted to know more about Washington, the White House staff, Joe Califano, Jack Valenti."

In addition, De Luca's wife's first cousin married Alioto's son. So the links between the two men were forged that led Alioto to offer De Luca the post of executive secretary when he became mayor in 1968.

De Luca was surprised: "I was not known here, I was not one of the local people, and I asked Joe why he wanted me. He said, 'You have this invaluable Washington experience. I see myself as mayor needing to know the Washington scene. So many of the solutions to the problems of San Francisco are tied in to Washington. The more successfully I handle the Washington arena, the more successful I will be in behalf of San Francisco.'"

De Luca helped Alioto with introductions to leading Washington Democrats, including

President Johnson and Vice President Humphrey. "That was a magical relationship that established itself independently of me," he notes, pointing out that Alioto nominated Humphrey at the 1968 Chicago convention and was considered a possible running mate that year. And later he was the "white hope" who might knock Ronald Reagan out of California's governorship.

De Luca dropped his "doctor" title, rolled up his sleeves and waded into running the mayor's office, in effect serving as deputy mayor (the title officially was executive secretary and later was changed to executive deputy to the mayor).

His responsibilities were heavy from the beginning and grew as Alioto became an instant national celebrity and was away from the city a great deal. This was further compounded when Alioto's attention was diverted by a maelstrom of political and legal squabbles, including reports alleging Mafia connections and suits charging fee-splitting when he acted as an antitrust attorney.

Recalling the Look article about Mafia links, De Luca looks back in sorrow: "That was the decisive turning point of Joe's administration and his life." Until then, he feels, they had been able to develop a positive thrust. The hassles "stopped all these other things because Joe was put on the defensive."

In the meantime, De Luca feels he and Alioto accomplished a lot for San Francisco before clouds overshadowed the administration. They revamped the budgetary process, the way city government is run and San Francisco's approach to handling today's urban challenges, De Luca claims.

His relationship with Alioto was close, with De Luca serving as the alter ego who saw to it that what Alioto wanted was accomplished. Although the press sometimes castigated De Luca as the city's "unelected mayor," Alioto never blanched at De Luca's growing power.

"Joe was so self-confident and was so secure that he never worried about those charges," De Luca says. "He was so busy, so preoccupied, he was doing an excellent job as mayor, and a lot of things just gravitated to me. Rather than resent and stop it, he encouraged it because, I think, he felt intuitively that that was the best way."

Although De Luca was totally loyal to Alioto, he stresses it wasn't "blind loyalty." He frequently confronted the mayor on issues and actions, but Alioto's decision would be final—and De Luca then would be the strong lieutenant who carried out orders.

He ran into Alioto recently in Philadelphia, De Luca says, and for the first time since both left the mayor's office, they reminisced about the old days. "He told me, 'You were very tough on me, John. You're the only guy who really consistently challenged me.' And that's the way I felt my loyalty to him would serve best—not to answer automatically 'yes' to what he said."

The later scandals put Alioto on the defensive and detracted public attention from his achievements, De Luca feels. "But 10, 20, 30 years from now, historians will appraise Joe in higher terms than perhaps his contemporaries because they will be able to see this point (his accomplishments) in sharper focus." Alioto as mayor was a "true Renaissance man... trying to bring San Francisco into a position to cope with modern, urban America," De Luca asserts.

With the end of the Alioto administration, De Luca accepted an offer to head the Wine Institute. "I was very excited by the

change," he says. For one thing he would become his own man.

Acting on someone else's behalf is "not the same thing as having to formulate your own speech, having to project your own values, having to project your own point of view," De Luca says. "So that part of me which had been developed in the classroom, the part that had to come up with original themes in dissertations and so forth, leaped at the new challenge."

Also he enjoyed the idea of working for people with grass-roots outlooks and traditions. "I had just come from an experience where the values of the work ethic, being one-on-one with nature, having great pride and independence very frankly had been mitigated or muted."

"But suddenly here were people who were looking at the harvest, looking at the weather. Their great emphasis was not in terms of food stamps or whether they were going to get unemployment benefits, but in terms of how they were going to handle the harvest. It was very refreshing, like digging into a reservoir of values that were for me more integral to my thinking than I had imagined."

During his first year and a half in office he visited 260 wineries: "My hope was that—because I was not known and I came out of a different environment—I would become familiar with everyone and everyone would come to know me on a personal basis. I visited the small wineries as well as the large ones and that was doubly helpful, both for my exposure to them and for them to realize that I was going to represent everyone's interests."

He and his staff have been in the forefront of battles over labeling regulations and states' controls. He feels his days with Alioto helped lobbying efforts against new labeling rules: "I knew a lot of these guys in the California Congressional delegation from my City Hall days. We have educated them and blunted the steamroller."

As a result, new federal labeling requirements are not as "odious" or "punitive" as originally proposed, De Luca believes, but they still contain ingredients that are distasteful—such as requiring a list of ingredients. He hopes the new regulations, due to go into effect in 1983, will be altered further by Congress in the upcoming session.

He also has led the way in contesting state laws governing pricing and distribution of wines. "As long as we have this legacy of Prohibition, we have these states that look upon wine as a sin to be taxed," he says. Some 18 states have legislation and regulations that control where, how and/or when wine will be sold, such as Pennsylvania where De Luca recently opted to get involved in litigation against the state's Liquor Control Board.

Nationally, De Luca feels the public is on industry's side. "Consumers are the ones going to their legislatures and saying, 'Change the laws.' In Montana, for instance, they passed an initiative two years ago permitting wine to be sold in food stores and grocery stores, where there had been only a state store system previously."

So, although not as frenetic as his City Hall job, heading the Wine Institute presents its own challenges and opportunities for De Luca. "Wine is a 6,000-year-old product but, ironically, I feel I'm in on the ground floor and can make a difference," he asserts.

He sees wine becoming "a natural part of our lifestyle. Not too many decades ago, it was perceived essentially as a drink of older

Americans, typically those of Italian, French or Spanish extraction who drank red wine and were on one of the coasts, California or the East Coast.

"Contrast that today with the sense that it is not tied to any geography, not tied to any ethnic or economic group. Also, visibly the dynamism in the industry is coming from women, who not only are drinking wine but also making the choices about what's on the dinner table. And wine has become part of the whole approach to physical self-improvement—jogging, watching your weight, exercising and nutrition."

Wine also has broadened in its appeal, De Luca notes. Affluent, previously hard-liquor people are sipping wine during "the cocktail hour" that has become "the wine hour," and beer-guzzlers are opting for pop wines such as Annie Greensprings or Strawberry Hill.

And the market outlook still holds tremendous promise, he adds, because U.S. per capita consumption is only about two gallons and more than double that in such states as California, compared with European countries that register per capita consumption of 25 to 30 gallons.

"There are still areas in the U.S. where many people are not drinking wine, like the South, the Midwest, rural areas," De Luca says. He looks forward to a day when wine nationally becomes a natural part of meals, European style.

Meanwhile, there is periodic speculation that De Luca is becoming restive with his wine industry chores. A man of tremendous energy and impressive background, De Luca often is seen as over-qualified for his job.

He denies rumors that he may leave soon: "First of all, I am committed to this position. I am truly excited by the challenge of this job. It seems to integrate everything I've done before. My university background, my local government background, my national background, my international background, they're all called into play every single day."

"Very few people truly realize that, as president of the Wine Institute, I am very active in politics with the Congress, with different states. I am very active with the university world with research at Davis and Fresno State."

He has been offered top-level corporate jobs and, a few years ago, there was a groundswell of support to put him in charge of the University of California.

"My plans are to stay with this industry indefinitely," he rejoins. "I find this a stimulating position, very challenging, and I feel like I'm growing every single day. And I'm with an industry still in its infancy."

Also it has given De Luca a pleasant lifestyle. "The industry has been good to me and my family," he says. De Luca resides in Belmont with wife Josephine, daughters Gina and Carla and son Perry, and the family often visits wineries as guests of honor, hobnobbing with wine leaders who are "some of the most fascinating people I've ever met."

And, adding lustre to his position, De Luca finds that these wine magnates increasingly are turning to the Wine Institute to spearhead industry progress. They realize their industry is highly fragmented and they cannot join together for united action on legal, political and international fronts without incurring governmental wrath.

Thus, De Luca observes, "The people whom I serve are looking to me and the Wine Institute for that leadership." ■

FOUNDATION TAX LAW

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, charitable organizations have existed for many centuries in many varieties. Like every major civilization, the United States has encouraged and institutionalized philanthropy as a means to promote human welfare. Our charitable institutions, including foundations, have served our society well.

Unfortunately, the effectiveness of foundation philanthropy in the United States is now threatened. The requirements placed on foundations by the Tax Reform Act of 1969 are hindering, rather than helping, the cause of charitable giving.

As a result of the Tax Reform Act of 1969, foundations are required to distribute for charitable purposes 5 percent of the foundation's net worth, or the foundation's net investment income, whichever is greater. This payout formula may have made a great deal of sense when it was developed in the strong dollar and low inflation years of the 1960's, but it is now causing real distress for most foundations.

Because foundations are required to distribute all of their investment income, they do not have the opportunity to reinvest any portion of their investment earnings back into the foundation. Therefore, the net worth of the foundation's assets may remain stable on paper, but, because of inflation, in real terms it is declining at an accelerating rate. As the real value of the foundation's assets declines, the value of the dollars the foundation has available to distribute for charitable purposes declines with it.

In an inflationary economy, high interest rates dictate that prudent managers shift assets to high income instruments for the greatest total safe return on the portfolio investments of foundations. The law, however, requires that all income be paid out. That means the foundation managers have only a Hobson's choice. Either they take a lower return on their investment, or they take a higher return and pay it out. Either way they are giving away their capital. That is, of course, detrimental to the long run aims of the foundation and its beneficiaries.

In order to rectify this situation before it erodes the ability of foundations to carry on their charitable works, I have introduced a bill, H.R. 1387, which makes several changes in the tax laws pertaining to private foundations. The most important of these changes would remove the requirement that foundations distribute

all of their net investment income. The bill would require only that 5 percent of the foundation's net assets be distributed, leaving the rest to be reinvested in the foundation, preserving the foundation's asset base for future generations. Those foundations which wished to distribute a greater percentage could, of course, do so.

The bill also seeks to correct an inequity which currently exists in the law with respect to the tax treatment of contributions to public charities as opposed to contributions to private foundations. Under present law, individuals may only deduct their full contribution to a private foundation if it is less than 20 percent of the individual's gross income. Contributions to public charities, however, may be made for up to 50 percent of an individual's gross income and still be eligible for a full deduction. In addition, excess contributions—for more than 50 percent—made to a public charity may be carried forward for up to 5 years, while contributors to a private foundation have no such option available. My bill would remove all of these distinctions between contributions to private foundations and contributions to public charities, so that contributions can be made to both on an equal basis.

The bill also contains a number of other changes in the foundation laws. I invite my colleagues to examine this bill carefully, and to make suggestions for changes in the bill or in the law. I hope many will support it, so that our great system of private foundation philanthropy will be able to continue to do the charitable and educational work for which it is renowned.●

MR. JACK BOYES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, it is with great pride that I inform my colleagues of a noteworthy act of mercy undertaken by one of my constituents, Mr. Jack Boyes of Kansas City, Mo.

On August 16, 1980, Mr. Boyes, trained in Red Cross cardiopulmonary resuscitation, was summoned to assist a choking victim. Going to the victim's aid, Mr. Boyes determined that he could not breathe and began a sequence of first aid maneuvers for relief of foreign body obstruction of the airway. When the obstruction was relieved Mr. Boyes began CPR. He continued his efforts until the arrival of an ambulance. Without doubt, the use of CPR by Mr. Boyes cited herein saved the victim's life.

Mr. Speaker, I would like to commend Mr. Boyes for his voluntarily learning Red Cross life sustaining

skills, for his heroic action in the situation, and to congratulate him on receiving the Red Cross Certificate of Merit.●

DOE ALCOHOL FUELS PROGRAM

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. TAUKE. Mr. Speaker, I would like to insert in the RECORD a letter from the Iowa Energy Policy Council, which makes a number of recommendations to help improve the Department of Energy's alcohol fuels loan guarantee program.

These comments are similar in many respects to ones I have expressed to officials at DOE during recent meetings on the subject. My concerns included the following: First, the timing of the announcements made last October naming those firms selected for competitive negotiations; second, the speed by which the whole process was handled; and third, the criteria used in future selection processes, particularly the role of policy and technical factors.

My purpose in calling the meeting with DOE officials was to allay or confirm suspicions I had that improprieties were involved in the selection process and to insure that all firms competing for the loan guarantees are given fair and equal treatment.

Because alcohol fuels provide this Nation with a viable alternative energy source, it is incumbent upon us in the Congress to insure that the push for greater use and production of the fuels continues. And it is also incumbent upon us to insure that Federal participation in this effort be effective and responsible, particularly with applications for the next round of DOE loan guarantees scheduled to be accepted next month.

The recommendations made in the following letter will help us achieve that end.

IOWA ENERGY POLICY COUNCIL,
Des Moines, Iowa, January 7, 1981.

Mr. STEVE MORGAN,
Contracting Officer, Department of Energy,
Office of Alcohol Fuels, 1000 Independence Ave., SW., Washington, D.C.

DEAR MR. MORGAN: The Department of Energy's (DOE) Office of Alcohol Fuels has extraordinary influence in the development of the nation's alcohol fuels industry. Alcohol fuel, without federal subsidies is presently only marginally competitive and, as a result, financial institutions are wary of risking scarce capital on proposed alcohol fuel plants. Federal loan guarantees, which tend to calm these skittish financial markets, thus determine the fate of most proposed alcohol plants.

It is extremely important that the Office of Alcohol Fuels recognize its responsibility and operate accordingly. Responsible actions of the Alcohol Fuels Office should be guided by the following aphorisms.

(1) Give potential applicants proper notice and time to apply. The initial rulemaking did not do this. The Alcohol Fuels office gave applicants 12 days from the date of final rule filing to apply. That is neither proper notice of application guidelines nor an appropriate length of time to apply.

(2) Thoroughly review each application. DOE spent 8 days reviewing over 50 highly technical, complex applications. As you noted to me in a phone conversation, the speed of that review exceeded all others in your 8-year history at the Department.

(3) Tell the public what you are doing. Eight days after the close of the initial solicitation, the DOE announced that negotiations were being entered into with 7 companies. Yet you indicated to me that DOE had entered into the "factfinding" stage only. Nevertheless, prior to reaching the negotiation stage with the first group, DOE announces the selection of nine more plants for "detailed negotiations." How do you square that with your "fact-finding" claim?

(4) Don't compound your mistakes. The initial solicitation process was of questionable propriety. Yet, instead of resolving those questions, the DOE doubled the amount of loan guarantee money disbursed under that questionable solicitation. And, worse yet, the DOE acted to disburse over \$500 million in loan guarantee money without prior OMB approval.

(5) Consider the economics of the feedstock. DOE's own "Alcohol Fuels Policy Review" concluded that corn and milo are the most economical of alcohol fuel feedstocks. DOE should place a priority on projects which will produce alcohol at the most competitive market prices.

(6) Consider the location of the alcohol market and the feedstocks. The location of plants in areas where feedstocks must be imported and the alcohol and by-products exported due to lack of a market in the area is clearly an undesirable arrangement in terms of energy and transportation costs. States such as Iowa which produce the feedstock, utilize the by-product extensively, and have pioneered marketing of the alcohol through significant tax incentives (Iowa now uses almost 15 percent of gasoline consumed nationwide while comprising only 1.5 percent of the nation's total gasoline needs) should be given high priority when considering the siting of plants to receive assistance. SERI's newly published "Guide to Commercial Scale Ethanol Production" concurs, plants should be situated to take best advantage of feedstock crops grown in the near locale to enhance the economics of production.

(7) Consider the energy balance of the plant. Alcohol production processes which do not displace imported energy should be given low priority. There have been rumors that some plants may use imported molasses as a feedstock.

(8) Consider the energy and economic needs of each state in which an alcohol plant is to be located. The nation's energy bill is not distributed proportionally among the states. States such as Iowa which must import nearly all their energy needs are hardest hit by energy dependence; states such as Louisiana which export three times as much energy as they use are not as economically crippled by high energy costs. Thus, the drain on Iowa's economy will continue if alcohol must be purchased from energy-rich Louisiana, while Louisiana's exports continue to grow. Federal policy should wherever possible attempt to equalize states' energy bills, or at least help most

of those states suffering most. It should not drain taxes from hard hit economies to pump into relatively healthy energy-exporting economies, particularly where abundant resources can be developed in the poorer state.

Many of these concerns were expressed to the Office of Alcohol Fuels during the rule-making process. However, I felt the need to repeat them since DOE did not fully consider comments on the rules and plans to issue new rules in February.

I would appreciate your comments.

Sincerely,

DOUGLAS E. GROSS,
Director, Fuels Division.

ROBERT C. CARTER

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. HUBBARD. Mr. Speaker, I would like to take this opportunity to congratulate my longtime friend, Mr. Robert C. Carter, president and general manager of the Kentucky New Era in Hopkinsville, Ky., upon his winning the Kentucky Press Association's Freedom of Information Award for 1980.

Bob Carter's impressive accomplishments as a newspaper executive convince me that the KPA has made an excellent choice for this annual award. Carter is a past president of the KPA and has served a number of years as the organization's legislative chairman.

The announcement of the award was made during KPA's recent midwinter conference. The Kentucky Press Association is made up of weekly and daily newspapers from throughout the State.

Again, let me express my congratulations to Bob Carter for his leadership in areas related to freedom of the press.

CONGRATULATIONS TO CHARLES L. DEEGAN AND TROOP 374 ON THEIR 25TH ANNIVERSARY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. RUSSO. Mr. Speaker, on February 7, Troop 374 of the Boy Scouts of America will celebrate its 25th anniversary with a reunion dinner in Chicago Heights. As worthy of praise as this achievement is, there is something even more remarkable about this occasion. It marks not only the quarter-century point for the troop, but also of the dedicated service of its original and only Scoutmaster, Charles L. Deegan.

Since 1956, when he first became the troops' Scoutmaster, Mr. Deegan has

served the young men of his community with great distinction. His personal integrity and devotion to these boys, truly tells us something about the man and his values. Under his tutelage, over 100 boys have reached the distinguished rank of Eagle Scout. An amazing accomplishment indeed, and one in which Mr. Deegan may take great pride. His impact on the boys, and all of those who have had the pleasure of knowing him, is impossible to gage, but they undoubtedly are better people because of it.

It is only fitting that a man of Mr. Deegan's outstanding character should be involved in a worthwhile endeavor like Scouting. Scouting's ability to foster friendship, teach civic responsibility, and develop self-reliance make it a solid foundation upon which young men can build for the future. During this period, a caring and committed mentor is invaluable. Over the past 25 years, Charles L. Deegan has been just such a man. His tireless efforts are well appreciated and not forgotten.

I gladly join with those gathered in Chicago Heights in honoring this rare and admirable man, and wishing him all the best in the future. He most certainly deserves it.

JIM MOORE'S OPEN LETTER TO THE CONGRESS

HON. ROBERT MCCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MCCLORY. Mr. Speaker, many of us in this body were shocked and saddened by the tragic and senseless killing of one of our beloved House photographers—Pen Wilson.

Pen died of a single gunshot wound on Christmas Eve 1980 on a downtown street in Washington.

Without describing in detail this stark tragedy, I wish at this time to present to my colleagues a heartfelt and meaningful letter addressed to all of us by a man who was perhaps the late Pen Wilson's closest friend and associate—Jim Moore.

Mr. Speaker, I urge and earnestly hope that all of us may absorb the full meaning embodied in these touching and challenging words by Jim Moore—and I would hope that the response on the part of this body may be reflected in our actions so that Pen and others, who have met senseless death from handguns—will not have died in vain.

Mr. Speaker, I am attaching hereto Jim Moore's open letter to the 97th Congress, which follows:

AN OPEN LETTER TO THE 97TH CONGRESS

To the Congress—my friends and colleagues, those of long standing and those newly met:

As we all get under way this new year and new session, I would like to touch upon the

life of a friend of ours who cannot be here to enrich our lives and join us in our efforts to serve the people of this great country. Many of you knew Pen Wilson—if not by name, at least on sight—as one of the House photographers. He was the one with the ready smile and the bright blue eyes that transformed life into an image on paper, ready for framing and mounting in any one of tens of thousands of homes in America.

He took photographs of your visitors—the bands, the school groups, the visiting firemen, the dignitaries big and small—and amiably brought them around you, coaxed out their smiles, and took the picture that you later signed and passed on as a simple, but often effective, souvenir.

He joined you in committee, crouching down in front with his camera, searching out your best side, waiting for the decisive moment as you testified or examined a witness. Those pictures made it into countless hometown papers, without his credit but with his great satisfaction that he was accomplishing something worthwhile in a job that was not always the most exciting. He loved his profession, and he enjoyed your company. The glow of the Capitol dome at night thrilled him just as much as it moves all of us who still work beneath it. One of his last pictures, in Roll Call, is of the building at night. It is as serene as his death was violent.

Early in the morning of last Christmas Eve, Pen was shot and killed during a robbery attempt on a downtown Washington street. There is no accounting for it. There is no way to describe the horror of it, the stupidity, the sheer terror of such a moment in the winking out of life with the passage of a bullet through flesh. Platitudes will not suffice. They are of little comfort to his wife and family, and they will not reverse the course of that awful projectile.

Pen was a man who loved life for all its variety and challenges. I think he tested its limits once in awhile as he put himself to the test: he tried skydiving, he learned to scuba dive, he wanted to see what he could do with his energy and drive. He wanted to try so many things. He was cheated by the darker side of life, by someone who apparently has so little regard for humanity that killing a man for a few dollars is somehow justifiable.

There are some lessons in life that I wish did not have to be learned at the expense of life itself. Before last Christmas, I was as concerned as any of you about the increase in violent crime, especially gun-related crimes. Pen and I talked about gun control almost every time a new article appeared in the papers. He was on the side of control; I felt inclined to disagree. Control to me seemed an exercise in futility, and, since I was an avid NRA participant as a boy, the concept of controlling weapons seemed to smack a little of Big Brother.

I have never been so wrong in my life, or in Pen's life. Certainly there is a place for some kinds of guns, but there is no way to justify the access that the man who shot Pen had to his gun. There must be a better way to approach the problem, to begin to contain the awful trend we are witnessing every day. The answer will not appear written in stone. It will not be given to us by a greater power except the power of our conscience, the innate sense of right versus mortal and moral wrong.

It will take the collective will of the people, reflected in the membership of these two great chambers, to judge with clear vision the value of any life against the

life-destroying potential of easily available handguns.

I miss Pen. I know many of you who knew him well have your own experiences that will keep him alive in your minds' eyes. Those who only knew him in passing probably still recall something pleasant that he did to touch you in his unique way. His death diminishes us all just as the death of any man diminishes society; but in Pen's case it is brought so close to our homes and our jobs that to ignore the lesson at our doorstep would be an insult to all the nameless, faceless victims who never had the chance to gain the attention of the men and women in this Congress.

I don't wish to seem a pedant, nor am I an ideologue taking advantage of my friend's death to promote a new bill or an old cause, striking out like a hypocritical zealot with a new religion. I just have had my fill of death and dying for the moment. We owe something to ourselves to bring peace to the streets and communities of this country and we owe it to the memories of Pen and all the others too suddenly deprived of a chance to live out their lives with their families and friends.

George Washington put it clearly when he said: "A slender acquaintance with the world must convince every man that actions, not words, are the true criterion of the attachment of friends." We are all friends here and across the nation. We have Pen to remember for his friendship that he willingly and generously gave. In considering the future for all our friends still here, consider the memories of our friends, known and unmet as well, who now depend on us to make something better of life.●

COMMUTATION OF KIM DEATH SENTENCE POSITIVE SIGN IN UNITED STATES-SOUTH KOREAN RELATIONS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. PORTER. Mr. Speaker, President Chun Doo Nwan of South Korea is a visitor to this Nation's Capital this week, and it is a time to review the current status of South Korean-United States relations. On several occasions I and others in Congress denounced on this floor the mock trial and death sentence of Kim Dae Jung by President Chun's government. The recent commutation of his death sentence is therefore a positive sign.

We should be under no illusion, however, that the sparing of Kim's life signals a return to democratic processes in South Korea. Those Members who have spoken on the House floor on this important issue of South Korean relations as they affect our national interests in Asia will continue to watch carefully the evolution of political freedoms under the Chun government. At a time when U.S. assistance has to be cut back around the world, and priorities brought even more sharply into focus, a nation's support for democratic principles as well as strategic impor-

tance to the United States will be weighed heavily in the balance.●

TRIBUTE TO FRANK HOOD

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. HILLIS. Mr. Speaker, Friday, February 6, will mark the end of one of the longest and most distinguished public relations careers in the Federal Government—that of Frank Hood, the Veterans' Administration's Director of Information Services.

For more than 23 years, Frank Hood has served eight VA Administrators with a devotion and impartiality that have no equal.

Frank is a product of that famous journalistic training ground, the Kansas City Star, as well as the Associated Press, and in turn, he has trained a small army of public information men, including three former Civil Service Commission public relations directors and a deputy press secretary at the White House. The Executive Director of the President's Committee on Employment of the Handicapped is also one of his proteges and, incidentally, one of his many admirers.

Those admirers of his are not limited to the executive branch of the Government, either. Anyone in the Congress who has come in contact with Frank has invariably been treated with the utmost fairness and courtesy. Quite honestly, I do believe he does not know how to treat anyone otherwise.

In an age when distrust of Government and its officials seems to be rampant, Frank Hood has stood as a beacon of forthrightness and honesty. He is truly a public servant in the very best sense. I am proud to have known him, and as he leaves his post, I wish him all the best in a well-deserved retirement.●

OLIN "TIGER" TEAGUE—A REAL AMERICAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ANDERSON. Mr. Speaker, it is with deep sadness and regret that I address my colleagues today concerning the unhappy news of the death of Olin "Tiger" Teague. His multitude of achievements benefiting the people of this Nation will not be forgotten by any of us.

Tiger Teague was a true product of America—a Texan who served his country valiantly during World War II, sustaining many wounds and spending much time recuperating in hospitals. For his bravery and dedication to

duty he received many awards and decorations, including the Silver Star with two clusters, the Bronze Star, the Purple Heart with two clusters, and the Croix de Guerre with Palm. He was the most decorated soldier ever to have served in this House of Representatives, and became the champion of veterans of all wars.

Elected in 1946 to the 79th Congress, immediately after the end of the Second World War, Tiger chose to serve on the Veterans' Affairs Committee. In this capacity he served admirably, and eventually became the committee's chairman. Tiger increased the education benefits available to veterans, and was the author of the Korean war veterans bill. His determination that our Nation's fighting men be given just opportunities to gain an education, buy a home, or find employment, translated into programs that every veteran was able to benefit from.

Olin Teague also served as chairman of the House Committee on Science and Technology, and was the guiding force behind our modern space program which eventually brought man to the Moon. Were it not for Tiger Teague, the vast advances achieved in science through the program, and the benefits thereof which we enjoy today, might not have happened.

The people of Texas' Sixth District loved Tiger as much as we did, returning him to office time and again; it was not until 1978, at the end of the 95th Congress, that Tiger chose to retire. His 32 years of congressional service to his country, along with the trying years of service in war, clearly distinguish Olin Teague as a true American. I am proud to have been able to serve with him here in the House, as he was a shining example to all. My wife, Lee, and I, extend our sincerest condolences to Olin's wife Freddie, his three children, James Teague, Maj. John Teague, and Jill Cochran, and all the people of his district. Tiger's energy, forthrightness, and memory will live on in the great legacy which he has left us all.●

CONDOMINIUM CONVERSIONS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. ROSENTHAL. Mr. Speaker, the recent trend toward converting rental housing to cooperatives and condominiums appears to be continuing as evidenced by the recent release of a Council of Governments study of the Metropolitan District of Columbia area. I feel it is important for my colleagues to keep abreast of such significant movements of our Nation's hous-

ing stock and I am including the Washington Post article of February 3, 1981, which addresses this phenomenon:

CONDOMINIUM CONVERSIONS UP 21.8 PERCENT IN AREA

(By Lewis M. Simons)

The number of condominiums throughout the metropolitan area rose by 21.8 percent in a single year—the largest increase ever—with the greatest jump taking place in suburban Fairfax County, according to a new study by the Metropolitan Washington Council of Governments (COG).

The increase was largely attributed to the continuation of the housing trend that swept the Washington area in the 1970s, the conversion of rental units to condominium ownership. Of the 15,102 condominium units added to the Washington market during the period, the study said, 11,922 were rental units that had been converted. The remainder were newly built.

The most striking finding in the survey—which covers the period July 1, 1979, to July 1, 1980—was that the construction of new rental apartments fell to virtually nothing while conversions were eating into existing rental stocks at a higher rate than in any previous year.

In contrast to the large number of rental units that were converted, only 2,862 new rental units were constructed throughout the metropolitan area, according to COG's William Davies. Of that, about 70 percent was government-subsidized, low-income housing.

"As far as the individual is concerned who needs to rent but does not qualify for subsidized housing," Davies said, "you can honestly conclude that nothing was added to the market" in the study year.

Generally, the conversion of former rental apartments to condominiums carries much greater social impact than new condominium construction because in many cases conversions squeeze out the relatively poor, the elderly and those on fixed incomes.

The conversion phenomenon, once characterized, as "condomania," as it swept through formerly rent-controlled apartment buildings in upper Northwest Washington and other rental apartment bastions, still is one of the hottest issues on the local housing scene. Landlords contend that the economics of the market make the rental business unprofitable; tenants and their political champions say that landlords' "greed" is forcing growing numbers of tenants who cannot buy their dwellings onto the street.

Even where they are restricted by tough regulations, as in the District of Columbia, landlords are continuing to press for converting their buildings. "A few years ago," Davies said, "it used to be that conversions and new construction shared the condominium market about 50-50." Today, he noted conversions easily have surpassed newly built condominiums.

In the last decade, according to the survey, the construction of new apartments outdistanced conversions throughout the region, 65,398 to 47,880. Most of that apartment building—70.3 percent—occurred between 1970 and 1974. Since 1974, only 19,380 rental apartments have been built; 30,344 apartments were converted.

The study shows that Fairfax County experienced the highest growth rate in rental apartments converting to condominiums—60.7 percent—while in the District of Columbia the increase in conversions was 54.4 percent. In absolute terms, though, the Dis-

trict of Columbia converted the largest number—4,319 apartments—while 2,390 were converted in Fairfax.

As of July 1, 1980, the metropolitan Washington area contained 84,240 condominiums—21.8 percent more than existed in the region the year before. Of these, 48,011 were a result of rental apartments being converted and 36,229 were new construction.

Noting that data for July-to-July periods prior to 1977 did not exist, the COG survey found that a comparison with previous calendar years "shows that this 12-month period surpassed all other annual periods of conversion activity [and] that the conversion trend is continuing to increase its momentum. The study also noted that "not since 1975 has the Washington metropolitan area experienced a decline in conversion activity from the previous year's level."

WASHINGTON AREA CONDOMINIUM CONVERSIONS AS OF JULY 1, 1980

Jurisdiction	New construction	Conversion	Total
District of Columbia.....	3,571	12,253	15,824
Alexandria.....	4,303	3,947	8,250
Arlington County.....	1,986	6,866	8,852
Fairfax County.....	12,374	6,328	18,702
Falls Church.....	0	200	220
Fairfax City.....	0	480	480
Loudoun County.....	1,162	418	1,580
Prince William County.....	1,337	86	1,423
Montgomery County.....	5,862	9,726	15,588
Rockville.....	33	1,065	1,098
Gaithersburg.....	918	744	1,662
Prince Georges County.....	4,663	5,898	10,561
Metropolitan total.....	36,229	48,011	84,240

Fairfax County led the metropolitan area in new condominium construction during the period of the COG survey by adding 987 units to its previous stock of 11,387 units built as condominiums. The new total, 12,374, gives Fairfax County 34 percent of the region's new condominium construction. Combined with the 6,328 units converted in the county to date, the total of 18,702 condominium units puts the county first in the area.

The District of Columbia added 680 new condominiums. The city now has 3,571 units built as condominiums—since the first one ever seen in the metropolitan area was built here in 1968—and 12,253 converted units. The total of 15,824 puts the city in second place behind Fairfax County and just ahead of Montgomery County, which has 15,588 total units.

According to COG's study, 2,225 units were built in Montgomery during the 1979-1980 period and 312 new units were built. The overall condominium growth in the county represented an increase of 29.7 percent over the previous one-year period.

Arlington County experienced a total growth of 37.5 percent: 1,872 units converted and 680 new units built.

Throughout the metropolitan area, according to the study, condominiums continued to sell very well. Of the converted units, 70.2 percent had sold, as had 78.5 percent of the new units. The study found that the most popular form of new condominium construction was the "single family attached structure," or town house, which accounted for 45.1 percent.●

ESSAY ON THE RIGHT TO LIFE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to commend to the attention of my colleagues in the House of Representatives the following essay by Schu Montgomery, a resident of my congressional district in Kentucky. Schu's fine essay won first place in the college-level student contest sponsored by the Right-to-Life Program Journal.

Schu beautifully expresses the principles that comprise the heart of the prolife movement in his essay—including the idea that such activities must encompass all facets of human life, not just in the protection of the life of the unborn child.

RESTORING THE PARAMOUNT RIGHT TO LIFE

(By Schu Montgomery)

We, the people of these great United States of America, are on the verge of restoring the most basic, most cherished right of any civilized society—the right to life of unborn children. The Paramount Human Life Amendment can assure this restoration.

This amendment alone would establish the principle and guarantee that each human being from the moment of fertilization is vested with the right to life regardless of age, health, or condition of dependency.

But the key to reclaiming the right to life can only be achieved through unity—unity of belief and unity of action.

Unity of belief means we must unite in convincing our elected officials that all pre-born children—even those that come into the world through rape and incest—have the right to life. We must unite in proclaiming to these same men and women that human beings with physical and mental handicaps are also welcome in our society. We must also unite in persuading the servants of the people that the integrity of the right to life requires there be no exceptions in the law.

To paraphrase one of the Life Principles, in the rare situation in which the life of mother and baby are mutually in jeopardy, all available ordinary means and reasonable efforts should be used to preserve and protect both lives. A "life of the mother" exception can only invite unwarranted abuse from the unscrupulous claiming a supposed threat to life.

Unity of action means we must continue to act as one people—committed to the truth, honest in our representation of that truth, and humble but firm in our explanation of the truth. The truth we must give witness to is the right to life—the right upon which all other rights depend. This right is God-given. It is absolute. No one—not the government, not I, nor anyone else, has the authority to usurp the right to life.

Once we are united, we must realize that although the Paramount Human Life Amendment will insure protection for our innocent brothers and sisters, there will still be human problems.

We must work to insure positive programs that meet the spiritual and material needs of the pregnant woman. We must emphasize adoption as a loving alternative. We must

inspire our young people to accept the dignity and worth of all human beings. We must reaffirm to all people—especially the young—that the creative power to engender new life is a responsible commitment to family-building, not a relationship casually assumed. Only with the combined efforts of family, church, and school can reverence for life be instilled into the hearts and minds of a society so desperately in need of spiritual values.

Eight long years have gone by since the infamous Supreme Court decision legalizing abortion. In that time, pro-lifers have not had it easy. But, then, no cause truly worth fighting for has been easy. Pro-lifers have been vilified, slandered, and even assaulted. But what could be more worthwhile than sacrificing for others? What could be more just than defending the defenseless?

The Pro-Life Movement is a human struggle. And it is more. Like the agonizing journey to Calvary and the solace extended amid an impoverished Calcutta, we, too, can meet the challenges of life—with prayer, with hope, with love. ●

OLIN "TIGER" TEAGUE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FORD of Michigan. Mr. Speaker, I was sorry to learn of the death of my former colleague Olin "Tiger" Teague. There are numerous veterans organizations in my district that will never forget Tiger's work. I can assure you, he took his work seriously. As the chairman of the Veterans' Affairs Committee, he was the strong voice that helped guide the GI bill of rights through Congress. Year after year, he worked for veterans and their organizations to obtain increased health benefits and improved medical facilities and care at VA hospitals.

"Health care second to none," was his goal for VA medical facilities throughout the United States, and he focused his efforts on the development of legislation required to bring this about.

Olin Teague worked in many other important areas. For 8 years he served as chairman of the House Science and Aeronautics Committee. He kept space programs on schedule during that time and his committee played a major role in putting a man on the Moon.

I was happy to have known Tiger Teague and to have worked with him in Congress. He was a fine soldier and statesman and we will remember him for his dedication to public service. ●

AIR TRAFFIC CONTROLLER'S ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. CLAY. Mr. Speaker, today I introduced a bill, the Air Traffic Controller's Act of 1981, to promote public safety by encouraging the employment of highly qualified air traffic controllers by establishing a salary classification system, weekly work hours, retirement plan, and collective-bargaining system.

For too long now this Nation's air traffic controllers have gone without a fair and comprehensive review of the conditions of employment. It is imperative that the Congress consider the requests of the air traffic controllers to insure that their working hours are not excessively long, that their compensation is commensurate with responsibility and experience, and that their retirement program recognizes the unusual occupational hazards of such employment. In addition, the quality and safety of the air traffic control system is assured by providing sufficient qualified air traffic controllers to handle the ever-increasing number of aircraft, that modern and effective equipment is provided to assure the integrity of the air traffic system, and that the rights of air traffic controllers are clarified so that they may bargain collectively on matters of mutual concern.

Section 1 cites the bill as the "Air Traffic Controller's Act of 1981."

Section 2 defines the terms "air traffic controller" or "controller" for purposes of title 5, United States Code.

Section 3 establishes a wage classification system for air traffic controllers.

Section 4 provides for a basic workweek and other requirements of employment for air traffic controllers.

Section 5 establishes the right of controllers to bargain collectively over wages, hours, and other terms and conditions of employment.

Section 6 creates a retirement program for air traffic controllers.

Section 7 authorizes the exclusive representative of air traffic controllers to bargain collectively over annual and sick leave.

Section 8 provides that the act shall take effect 90 days after enactment. ●

RUBEN LEVIN: DISTINGUISHED JOURNALIST

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. KASTENMEIER. Mr. Speaker, it is with great sadness that I take this

opportunity to speak of Ruben Levin, who died Thursday, January 29, 1981, here in Washington.

Ruben was not only an admired ally, but a good personal friend, who came to my assistance early in my congressional career, and has remained a friend for more than 20 years.

Mr. Levin was a newspaperman of high ethics, and his voice in Labor newspaper was the voice of our country's railway workers from the time he joined the paper in 1938.

His long list of honors includes the Eugene V. Debs Foundation Award in 1975, for a series of articles entitled "The Emasculation of Federal Regulatory Agencies." He also received the Sidney Hillman Foundation Award in 1956, and the University of Wisconsin award for Distinguished Service to Professional Journalism in 1965. The International Labor Press Association bestowed on him the title of "Dean of Labor Editors."

Ruben was born in Poland on August 2, 1902, and moved with his family first to Manitowoc, Wis., and then to Milwaukee. He entered the University of Wisconsin in my congressional district to study electrical engineering, but changed his course to journalism, earning his way through school by reporting for Madison's Capital Times. After graduation in 1926, he worked for 3 Milwaukee newspapers and later for 10 other dailies in the United States and Canada. He wrote also for the European edition of the New York Herald in Paris.

In 1968, Ruben was designated associate editor of Labor; one of his first projects in labor cooperation was the founding of Labor Press Associates, a news service for union publications, which he served as chairman.

Ruben was a past president of the Association of Railroad Editors and a member of the Washington Histadrut Unit of the Temple Sinai Brotherhood, the National Labor History Society, the Chautauqua Society, the Labor Relations Research Association, the National Consumers League, the American Civil Liberties Union, and the Newspaper Guild.

The Ruben Levin byline appeared regularly on articles in the Nation, the New Republic, and Forum. He wrote the annual reviews of worldwide labor development for the Encyclopedia Yearbook and for Americana Encyclopedia.

His writing was characterized by precise logic, by concise composition, by careful word choice; he was an oft-quoted foe of all forms of bureaucratic jargon.

Ruben is survived by his wife, Bertha, of Chevy Chase; two children, David of Hong Kong and Jonathan of Richmond, Va. His only daughter, Hilda Tanenholtz, died in 1979. He is also survived by four grandchildren:

Deborah and Isaac Levin of Hong Kong, and Eric and Bruce Tanenholtz, of Rockville, Md.

The mark of Ruben Levin will remain for the work he accomplished, and he will be long remembered by the friends who admire what he stood for. He was a true liberal, dedicated to his beliefs, and forever loyal to his friends. ●

TRIBUTE TO OLIN E. TEAGUE

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MONTGOMERY. Mr. Speaker, the Committee on Veterans' Affairs has received many, many inquiries following the passing of Hon. Olin E. Teague. They come from former Members of Congress, employees of the Veterans' Administration, and hundreds of veterans throughout this land whose lives were touched by this good and great man. All cannot be printed, but Mrs. Teague and the family are aware of the love and affection so many people have for Mr. Teague.

There follows some brief comments of our former colleague, Hon. William Jennings Bryan Dorn. Mr. Dorn served with Mr. Teague as a member of the Committee on Veterans' Affairs for more than 25 years:

With the passing of Olin E. Teague, our Nation has lost one of its most distinguished and best loved citizens. Veterans across our land have lost their greatest friend.

Tiger Teague was a war hero. He was a combat officer in the tradition of Texas A&M University, whose Corps lost more officers during World War II than any other throughout the Nation. However, he was a fighter for peace as well as in war.

Mr. Teague was a natural born leader—a leader highly respected by his men and his colleagues. He was elected Chairman of the Committee on Veterans' Affairs and continued to serve in that capacity until 1973 when he was elected Chairman of the Committee on Science and Technology. The respect of his colleagues was best shown when he was elected Chairman of the Democratic Caucus in 1971 and re-elected unanimously in January 1973.

Olin Teague touched the lives of million of people. Of course, he accomplished more for our Nation's veterans than any other American. Veterans and nonveterans alike will long remember him in South Carolina. He was directly involved in establishing the Veterans Administration hospital in Charleston and helped establish the new medical school at the University of South Carolina. He made it possible for the medical care staff of VA hospitals to be affiliated with all of the great medical schools throughout the country and provided assistance to the medical school at Charleston.

Olin E. Teague deserves much credit for having established the modern facilities at Augusta. The Augusta facility will one day be leading the country in caring for the needs of our older veterans.

Mr. Teague touched the lives of millions of people throughout the world because of

his dynamic leadership in the space program. More than any single individual, Olin Teague is most responsible for us having put a man on the moon. The technology spinoffs resulting from our space flights have made us the world leader in computer and guidance technology and food preparation, as well as many other practical breakthroughs.

The elderly had a special meaning to Mr. Teague. He established the VA nursing care program and modernized the pension program for our older, needy veterans. He placed a high priority on VA's medical and prosthetic program. He recognized the need to educate our young veterans returning from service. Millions of young men and women have received their education and training under Teague sponsored G.I. Bill programs.

Millions more have homes of their own, having purchased them through the veterans' home loan programs.

These are but a few of the things Olin Teague did to enhance the lives of our young and old alike. He was a very compassionate and caring man. All of us have been enriched, and our country is better by Tiger having come our way. ●

TRIBUTE TO OLIN E. TEAGUE OF TEXAS

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, there was only one "Tiger" Teague. The Lord created him and threw the mold away. We will not see his likes again.

He was one of the most honorable and decent men it has ever been my privilege to know, and as time passes, students of the Congress will realize what a profound and lasting impact he had on this body.

We can eulogize Tiger Teague in a thousand ways, but when the final chapter summarizes his life, it will conclude with the epitaph that he was a fighter—a fighter for what is good and right about this wonderful country of ours that he loved and believed in so strongly.

He grew up in rough times and never forgot it. He never lost his perspective, and when honor and fame accrued to him as a participant in the highest councils of national endeavor, it only intensified his desire to help others and cast aside personal ambition. When his wartime injuries finally took their toll on him physically, Tiger just rolled up his sleeves and charged ahead, often in a wheelchair and crutches, but so what, he still charged. He never made excuses or felt sorry for himself, because he was too busy accomplishing goals that a hundred people collectively would never dare undertake.

Much has been said about his unbelievable contributions to America's veterans and America's space program. Perhaps a modern Tolstoy will come

along and write another "War and Peace" using Tiger as the theme as a result of his wartime exploits and peacetime accomplishments in behalf of veterans and the exploration of space. But the book would miss the mark if it failed to adequately portray the essential Tiger Teague: The Tiger Teague who loved his family, his job, and his country with as much devotion and enthusiasm as any man who ever lived. He was a complete person, devoid of rancor and spite, but possessed of boundless energy. He had a temper that only surfaced when others around him failed to commit their total resources to the common good. He lived by the motto: "When going gets tough, the tough get going."

This past weekend I visited Tiger's graveside. The location commands a beautiful view of the Nation's Capital. His final resting place is right next to a marker reserved for another of America's greatest heroes—Gen. Omar Bradley. This is the way Tiger would want it: two soldiers, defenders of freedom in war and peace, together forever.

Texas has its heroes. Texans thrive on their heroes. We are proud of our heritage and Tiger Teague is a symbolic link to the likes of Travis, Bonham, and Houston. He was an Aggie's Aggie who loved Texas A. & M. and Texas A. & M. loved him. This great institution has produced some of our Nation's greatest leaders, and the Tiger is among them.

He walked among the mighty, yet spent his time helping the less fortunate. He was a man of God, humble in his appreciation for the success that descended upon him. Like the epic Roland of old, he blew a mighty trumpet that commanded respect, yet he was fair and considerate in all deliberations. He smote the enemies of America in combat, yet no man fought harder for peace and harmony among all people. He was Tiger Teague, and those of us who were privileged to know him shall never forget him. Like Lincoln, he now belongs to the ages.

To his dear wife and children, I extend my deepest sympathy and my profound thanks that we could share with you this extraordinary and remarkable man. ●

PRESIDENTIAL NOMINATION COMMISSION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mrs. SNOWE. Mr. Speaker, today Congressman UDALL and I have introduced a joint resolution calling for a study of the Presidential nomination process. We think it is clear that the

current system needs reforming. It is a long, exacting, arduous process that includes 37 primary elections and thousands of precinct, district, and statewide caucuses and conventions.

This resolution would establish a Commission on Presidential Nominations to study the process and make recommendations within a year. The Commission would investigate how States conduct primaries, alternate nominating systems such as regional primaries, independent candidacies, the news media's impact, campaign financing, and the related rules of the national parties. The Commission would not make any changes, merely suggest options. The 20 member Commission would be bipartisan and representative with Federal, State, and local members participating.

Regardless of party or persuasion, I think many of us can agree that it is time that we examined this process, so we can act before 1984. As the New York Times said in an editorial:

What usually stands in the way of the reform is the natural reluctance of Congress to act on such matters in a politically charged election year and sheer inertia with regard to them at any other time. It is time to break into that cycle. It should be possible for Congress to take a hard look at the process.

I could not agree more with that statement. Unfortunately the editorial was written 4 years ago during the 1976 elections. Congress has yet to act. It is high time we changed that.

We now have 83 cosponsors, I urge my colleagues to support this effort.●

HOSTAGE AGREEMENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● **Mr. MAZZOLI.** Mr. Speaker, I join my colleagues and, indeed, the entire Nation in welcoming home the 52 freed American citizens. I am most grateful that our prayers have been answered and that they have been safely returned.

The Nation's outpouring of heartfelt support for these 52 heroic men and women is virtually unrivaled even in a land which loves ceremony and celebration.

The spontaneous displays of emotion I witnessed on the streets of Washington and at the White House—where Members of Congress assembled to honor the freed hostages—will remain with me forever.

Particularly, was I proud to shake the hand of returnee Thomas Ahern. Tom and I are classmates—Notre Dame, class of 1954—and friends, though we have not seen one another since our graduation. Tom's conduct, fortitude, and courage have brought

much credit to himself, his family and his Nation.

However, the poignancy of his homecoming and of his fellows was sharpened by the revelations of the physical and mental suffering they endured while in captivity. Iran's violations of international law and precepts of basic human rights cannot—and will not—be forgotten by any humane, freedom-loving country.

Mr. Speaker, I hope the new administration evaluates with the utmost of care each term of the agreement which brought about the release of the Americans. We are not obligated to honor terms of an agreement which was concluded under threats and duress. Therefore, we should honor only those portions which serve our national interest, and we should reject the rest.

To those who say that failure to abide by each item of the agreement would diminish our national honor, I say, "bosh." Our honor is served not by giving into the demands of terrorists and brigands, but by rejecting such demands.●

A FEDERAL BAILOUT FOR TMI?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● **Mr. BINGHAM.** Mr. Speaker, in the Los Angeles Times of February 2, 1981, Robert A. Rosenblatt reminds us that the story of the near catastrophe at Three Mile Island is far from over. Cleanup of the crippled reactor will cost at least \$1 billion. The utility which owns TMI, Metropolitan Edison, is on the brink of bankruptcy. Ratepayers in Met Ed's service area have seen their utility bills rise 25 percent since the accident and stockholders in Met Ed's parent company, General Public Utilities, have seen their shares drop from \$18 a share at the time of the accident to \$4 to \$5 today.

According to Rosenblatt, there is now a movement afoot to dump the Three Mile Island problem on the Federal Government. Industry spokesmen are already calling for a Federal bailout of the Pennsylvania utility. Legislation is being discussed which would burden the taxpayers nationwide with the costs of the TMI disaster.

This is outrageous. The nuclear industry is constantly assuring us that nuclear power is not only our safest source of electrical energy but also the least expensive. Yet now at TMI we see that we must factor the costs of replacement power for down reactors and the costs of reactor cleanups into any economic analysis of nuclear power. Mr. Speaker, I urge my colleagues to read this excellent article. I intend to follow this matter very closely.

The article follows:

COSTS HIGH AT THREE MILE ISLAND

WHO WILL PAY CLEANUP?

(By Robert A. Rosenblatt)

WASHINGTON.—A small lake of radioactive water still stands on the floor of the reactor building at Pennsylvania's Three Mile Island, site of the worst accident in the history of peacetime nuclear power.

For reasons of health and safety, the water and the crippled reactor core must be cleaned up and the nuclear waste safely buried—monumental tasks with a minimum price tag of \$1 billion.

The question is: Who is going to pay the bill?

Congress will struggle with the issue this year, debating whether taxpayers in California, New York and the rest of the nation should help pay for an accident in Pennsylvania. If the money doesn't come directly from Washington, it may be supplied by the nation's electric utilities. But that solution, too, would ultimately transfer the financial burden to all Americans in the form of higher electric bills.

Because an accident like Three Mile Island was unprecedented, no one foresaw the extraordinary costs. Insurance coverage, with a maximum of \$300 million, was woefully inadequate. Metropolitan Edison, operator of Three Mile Island, has already spent two-thirds of the insurance money it collected from a consortium of companies, and has slowed down activities to stretch out the last \$100 million and keep the cleanup process going through the end of 1982.

The Three Mile Island Unit 2 power plant has been shut down since the accident on March 28, 1979. A valve failure, compounded by human error, produced the incident, which was unparalleled in the era of nuclear power generation. Accidentally closed valves prevented cooling water from circulating and the reactor heated to a dangerously high level, with uranium fuel in the core partly melting.

Before the reactor eventually was brought under control, the reactor core had been severely damaged, and dangerous volumes of radiation had been emitted into the building housing the reactor. The plant has been shut ever since.

ON BRINK OF BANKRUPTCY

Strained by the cost of getting replacement power and paying interest on money borrowed to build the Three Mile Island units, Metropolitan Edison teeters on the brink of bankruptcy. The company says it will be unable to pay its bills in April unless the state of Pennsylvania grants its emergency rate relief.

Customers of Metropolitan Edison have seen their utility bills rise 25% since the accident as the company buys costly power from other firms to distribute to them. The Pennsylvania Public Utility Commission won't allow the company to charge its customers for the costs of cleaning up Three Mile Island or to retire the bonds used to pay for building the nuclear unit.

So all eyes have now turned to the federal government as a possible financial savior.

More is at stake than the fate of Metropolitan Edison. The future of nuclear power in the United States may well depend on the policies established to clean up Three Mile Island and to handle the financial costs of any future accidents.

A SCAR ON INDUSTRY

Three Mile Island's financial quandry is "a scar on industry, a wound that has to be healed," said Carl Walske, president of the Atomic Industrial Forum, a nuclear industry trade association.

"There is a mess that must be cleaned up because of health and safety reasons," said Walske.

"All these players have to sit around a table and hammer out a deal," he continued, referring to the company, the state of Pennsylvania, the electric utility industry and the federal government.

An ordinary industrial plant that was shattered by an accident could be closed relatively cheaply. Remaining structures might be torn down, guards and watchdogs might be posted to keep out intruders.

Such a solution is impossible for Unit 2 at Three Mile Island. The radioactive water in the containment building might leak out, polluting the Susquehanna River. The damaged uranium fuel rods are still spewing out radiation within the reactor vessel.

"For better or worse, we're pioneers" in the task of cleaning up after an unprecedented accident, said Philip Fine, manager of public information on nuclear matters for General Public Utilities, the parent company of Metropolitan Edison.

The parent company says its shareholders and customers should not be squeezed any further. The company hasn't paid a dividend since the third quarter of 1979. The stock was priced at \$18 a share at the time of the March 1979 incident, and has now slumped to the \$4-\$5 range.

General Public Utilities says it doesn't have the profits to pay for the cleanup and can't borrow the money because of its precarious financial situation. And the Pennsylvania Public Utility Commission forbids the utility from charging its customers to pay for the cleanup. Loading the \$1-billion cost on Metropolitan Edison customers would boost their monthly electric bills 50% and virtually cripple business activity in the service area, according to a spokesman for the state commission.

BURDEN PLACED ON UNITED STATES

"The Congress of the United States has to act," the commission spokesman said. "It's a case of pay-for-it-now or pay-for-it-later."

If the federal government doesn't provide aid, and the Metropolitan Edison goes under, the ultimate responsibility will fall on Washington anyway, the spokesman said. The utility and state regulators argue that the federal government promoted nuclear power and should accept the burdens that come with the benefits.

Rep. Allen E. Ertel (D-Pa.), chairman of a group of Pennsylvania congressmen working on the issue, doesn't accept this argument.

"The federal government takes care of air traffic control, sets up inspection for aircraft and provides funding for airports, but if an airplane crashes, that doesn't mean the federal government will pick up the tab," he said.

Ertel said the Pennsylvania Public Utility Commission "came down here and tried to drop a hot potato in our laps" by calling for federal aid. "They said the company would go bankrupt and ran a parade of horrible ifs before us."

Ertel said the electric utility industry, "which has a very decided stake in keeping a nuclear option," should help pay the bills for cleaning up Three Mile Island. The industry can justify contributing funds on a research-and-development basis since it will

EXTENSIONS OF REMARKS

be learning how to clean up an accident, he said.

The Pennsylvania congressional delegation is considering several legislative solutions, including creation of a mandatory insurance fund for electric utilities operating nuclear power plants. This would provide expanded coverage beyond the insurance already in effect.

Another possibility is a federal loan guarantee, similar to the legislation now keeping Chrysler Corp. alive. The government might provide a guarantee for notes issued by General Public Utilities to raise money for the cleanup. The Treasury would repay the notes if the company defaulted. Such a mechanism is the only way the company might raise new money from a public fearful of the company's financial futures.

CRITICAL POINT NEAR

Edison Electric Institute, the utility trade association, has a group of top executives studying the Three Mile Island issue but hasn't decided on legislative proposals it plans to lay before Congress.

"We realize we'll be reaching a critical point in the next few months," said Fred Weber, the institute's director of government relations.

Tax credits for utilities that contribute funds to help clean up Three Mile Island are under consideration as a legislative possibility, Weber said. The credit would allow a company to deduct a full dollar for every dollar contributed. Currently, donations of this kind would be considered only ordinary business expenses, providing tax writeoffs of 48 cents for every dollar.

But Weber is not sure the industry would agree on tax credits as the answer. Some companies aren't making money, he says, and couldn't use tax credits.

RATES IN MIDDLE RANGE

The state of Pennsylvania must "play ball" by getting more money from the Metropolitan Edison customers if Congress is to be persuaded to provide help, Weber said.

Even with its higher costs after the accident, Metropolitan Edison's rates for its electricity are in the middle range of those charged by companies in its geographic region. Thus, members of Congress from districts where electric bills are higher might feel little inclination to vote for financial aid to the Pennsylvania utility and its customers.

The issue of federal aid to clean up Three Mile Island will cut both ways with the new Ronald Reagan Administration.

"It is common knowledge they are pro-nuclear" an official of the Pennsylvania Public Utility Commission said. "On the other hand, fiscal restraints are in effect and they won't want to add to the budget deficit." ●

REMARKS ON INTRODUCTION OF LEGISLATION ON THE INTERNATIONAL YEAR OF DISABLED PERSONS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. WINN. Mr. Speaker, the United Nations has declared 1981 as the International Year of Disabled Persons (IYDP), establishing as a theme the full participation of disabled citizens

in the lives of their respective countries.

It has urged each member state to formulate objectives and programs to accomplish those objectives, bearing in mind, of course, that such programs must remain appropriate to the society and stage of development.

While Americans can take great pride in the progress we have made over the last 10 years in improving the quality of life for the approximately 35 million Americans with physical and mental disabilities—progress which has established this Nation as the world leader in increasing opportunities for the disabled—much work remains to be done. Our participation in the observance of the International Year of Disabled Persons will go far, I believe, toward increasing public awareness of the unique needs of our disabled citizens and to increase the active involvement of the general population to help increase those opportunities.

Today I am reintroducing my legislation, with cosponsors, which recognizes this very important International Year of Disabled Persons, as well as the two primary groups involved in its promotion: The U.S. Council for the IYDP and the Federal Interagency Committee. My Kansas colleague in the Senate, Senator ROBERT DOLE, has introduced identical legislation. Our legislation reads as follows:

Whereas a new era in recognition of human rights and universal respect for these rights has begun;

Whereas the United Nations General Assembly has declared 1981 as the International Year of Disabled Persons;

Whereas the United States has made great strides during the last decade in improving the lives of 35 million American citizens with physical and mental disabilities;

Whereas there is still much to be done to open doors for disabled persons;

Whereas the United States recognizes the need for further progress in strengthening public understanding and awareness of the needs and aspirations of disabled persons; and

Whereas the U.S. Council for the International Year of Disabled Persons is coordinating public and private participation in the IYDP: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President should take all steps within his authority to implement, within the United States, the objectives of the International Year of Disabled Persons (1981), as proclaimed by the United Nations General Assembly Resolution 31/123 of December 16, 1976, as well as the goals of the Federal Interagency Committee which coordinates the activities for the International Year of Disabled Persons within the Federal Government.

The U.S. Council for the IYDP is a nonprofit organization formed by private initiative to promote the United Nations observance. It urges the nearly 1,800 communities, States, corporations, and national organizations it represents to make meaningful com-

mitments during this year to achieve the long-term goals of and for disabled citizens. These groups, under the umbrella of the U.S. Council for the International Year of Disabled Persons, are striving to continue our progress in the areas of opportunities for the disabled that have established America's leadership as a defender of human rights and a nation advanced in biomedical research, accident and disease prevention, and technological application.

The Federal Interagency Committee, the second organization involved in coordinating the International Year of Disabled Persons, was established by the direction of the White House domestic policy staff, to coordinate U.S. policies to maximize cooperation and minimize overlap in Federal programs. It seeks as well to promote

awareness of the needs of the disabled in identifying and developing all Federal programs.

Both the U.S. Council and Federal Interagency Committee have embarked on a joint mission to promote full participation in the life of our society by America's citizens with physical and mental disabilities. Their goals include:

- Expanded educational opportunity;
- Improved access to housing, buildings, and transportation;
- Greater opportunity for employment;
- Greater participation in recreational, social, and cultural activities;
- Expanded and strengthened rehabilitation programs and facilities;
- Purposeful application of biomedical research aimed at conquering major disabling conditions;

Reduction in the incidence of disability through accident and disease prevention;

Increased application of technology to ameliorate the effects of disability; and

Expanded international exchange of information and experience to benefit all disabled persons.

As a nation committed to human rights, to the dignity of all citizens, to equality of opportunity, especially in areas over which our citizens have had no control, we cannot fail to set the example that we traditionally have set in this endeavor, and to take the lead as we always have, symbolized in this case by our full participation in and observance of the International Year of Disabled Persons.●